

NONCOMPETITION AGREEMENT

This **NONCOMPETITION AGREEMENT** (this "**Agreement**") is entered into as of this 16th day of June, 2008, by and among BNC Bancorp, a North Carolina corporation, Bank of North Carolina, a North Carolina-chartered bank and wholly owned subsidiary of BNC Bancorp (the "**Bank**"), and Ralph N. Strayhorn III (the "**Executive**").

WHEREAS, the Executive's service as an officer and director of BNC Bancorp and the Bank is terminating on June 16, 2008,

WHEREAS, the Executive possesses skills of a special, unique, and unusual character, which therefore have distinctive value,

WHEREAS, the Executive is familiar with BNC Bancorp's and the Bank's business, operations, and properties, and during the time the Executive has been employed by the Bank he has accumulated extensive banking experience and he has established valuable business and client contacts in the market areas served by BNC Bancorp and the Bank,

WHEREAS, the Executive entered into an employment agreement with BNC Bancorp and the Bank providing for payment of severance benefits after termination of the Executive's employment, conditioned upon the Executive first entering into this Agreement, and

WHEREAS, the Executive's employment has terminated or terminates effective June 16, 2008, and severance benefits therefore will become payable under his employment agreement after execution of this Agreement.

NOW THEREFORE, in consideration of these premises, the mutual covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

ARTICLE I

AGREEMENT NOT TO COMPETE

1.1 Noncompetition. (a) *Agreement not to compete.* The Executive hereby agrees that until June 16, 2010 he shall not directly or indirectly, whether for his own account or for the account of any other person, firm, corporation, or other business organization –

(1) engage as an employee, officer, director, manager, salesperson, consultant, independent contractor, representative, or other agent in providing Banking Services (as defined below) on behalf of any other person, firm, corporation, or other business organization that is a competitor of the Bank or its Affiliates (as defined below) in Davidson County, any counties contiguous thereto, any counties in which the Bank or any of its Affiliates has an office, or any counties from which the Bank or any of its affiliates derives revenue that, in the sole judgement of the Bank, is significant,

(2) provide Banking Services to any Client (as defined below),

(3) make any statement or take any actions that, in the sole judgement of the Bank, interfere with the Bank's or its Affiliates' business relationships with any Client, including but not limited to any statements that are harmful to the reputation of the Bank or any of its Affiliates or their standing in the communities they serve,

(4) except on behalf of the Bank or its Affiliates as may be requested by the Bank, make contact either directly or indirectly with any Client, nor shall the Executive otherwise induce or encourage any Client to enter into any business relationship with any person, firm, corporation, or other business organization other than the Bank or its Affiliates relating to Banking Services or banking business of any type,

(5) entice or encourage any person employed by or associated with the Bank or its Affiliates as an employee, officer, director, manager, salesperson, consultant, independent contractor, representative, or other agent to serve as an employee, officer, director, manager, salesperson, consultant, independent contractor, representative, or other agent of any person, firm, corporation, or other business organization other than the Bank or its Affiliates, or

(6) take any actions interfering with the Bank's or its Affiliates' property rights in lists of clients, or otherwise diminish the value of such lists to the Bank or its Affiliates.

(b) *Definition of Affiliate.* For purposes of this Agreement, the term "Affiliate" means any entity, corporation, or other business organization controlled by the Bank, controlling the Bank, or under common control with the Bank, including but not limited to any subsidiaries of the Bank, any company controlling the Bank, or any company under common control with the Bank.

(c) *Definition of Banking Services.* For purposes of this Agreement, the term "Banking Services" means retail or commercial banking business, and all other services customarily provided by banks or otherwise provided by the Bank or its Affiliates; *provided, however* that the term Banking Services specifically excludes asset and trust management, wealth management, and investment services. The Bank understands that the Executive intends after termination of his employment with the Bank to engage in the business of providing asset and trust management, wealth management, and investment services and that the Executive may do so in markets in which the Bank conducts business and to customers that are or may be Clients of the Bank.

(d) *Definition of Client.* For purposes of this Agreement the term "Client" means all persons, firms, corporations, entities, or business organizations who are or were customers or clients of the Bank or any of its Affiliates –

(1) on the date of this Agreement,

(2) on the date the Executive's termination from active service with the Bank becomes effective,

(3) at any time during the two-year period before the Executive's termination from active service with the Bank becomes effective, and

(4) any persons who become clients of the Bank or any of its Affiliates hereafter who were identified by a representative of the Bank or its Affiliates, but only if those persons are identified as prospective clients in writing by the Bank to the Executive when the Executive's termination from active service becomes effective.

1.2 Period of time and scope. The Executive acknowledges and agrees that the duration and scope of the noncompetition provision set forth in section 1.1 are reasonable and necessary to protect the legitimate business interests of BNC Bancorp and the Bank and that they do not interfere unduly with the Executive's personal or economic freedoms. The Executive acknowledges that his willingness to execute and comply with this Agreement was an essential condition to BNC Bancorp's and the Bank's willingness to enter into the separate employment agreement with the Executive. If a court of competent jurisdiction or a dispute resolution proceeding authorized hereunder and to which BNC Bancorp and the Bank have agreed to be subject nevertheless holds that the duration or scope, including but not limited to geographic scope, of this Agreement is unreasonable, invalid, or unenforceable, the duration or scope shall be reduced or reformed to the extent necessary so that section 1.1 may be enforced by BNC Bancorp and the Bank during such period and for such scope as are held to be reasonable, valid, and enforceable.

1.3 Understandings. It is understood by and between the parties hereto that the Executive's covenants in section 1.1 are an essential element of this Agreement and that, but for the agreement of the Executive to comply with such covenants, BNC Bancorp and the Bank would not have entered into the Separation Agreement and Full and Final Release of Claims with the Executive. BNC Bancorp and the Bank and the Executive have independently consulted with or have had the opportunity to independently consult with their respective counsel concerning the reasonableness and validity of such covenants.

ARTICLE 2

CONFIDENTIALITY

2.1 Nondisclosure. The Executive shall not reveal to any person, firm, corporation, or other business organization any confidential information of any nature concerning the Bank or its Affiliates, their business, or anything connected therewith. As used in this Article 2, the term "confidential information" means all of the Bank's and its Affiliates' confidential and proprietary information and trade secrets in existence on the date hereof or at any time during the term of this Agreement, including but not limited to –

(a) the whole or any portion or phase of any business plans, financial information, purchasing data, supplier data, accounting data, or other financial information,

(b) the whole or any portion or phase of any research and development information, design procedures, algorithms, or processes, or other technical information,

(c) the whole or any portion or phase of any marketing or sales information, sales records, customer lists or client lists, prices, sales projections, or other sales information, and

(d) trade secrets, as defined from time to time by the laws of the State of North Carolina.

Notwithstanding the foregoing, confidential information excludes information that – as of the date hereof or at any time after the date hereof – is published or disseminated without obligation of confidence or that becomes a part of the public domain (x) by or through action of the Bank or its Affiliates, and (y) otherwise than by or at the direction of the Executive. This section 2.1 does not prohibit disclosure required by an order of a court having jurisdiction or a subpoena from an appropriate governmental agency.

2.2 Return of materials. The Executive agrees to deliver or return to the Bank all written confidential information furnished by the Bank or its Affiliates or prepared by the Executive in connection with his services to the Bank. The Executive shall retain no copies thereof after termination of this Agreement or termination of the Executive's employment with the Bank.

2.3 Injunctive relief. The Executive acknowledges that it is impossible to measure in money the damages that will accrue to BNC Bancorp and the Bank if the Executive fails to observe the obligations imposed on him by this Article 2. Accordingly, if BNC Bancorp or the Bank institutes an action to enforce the provisions hereof, the Executive hereby waives the claim or defense that an adequate remedy at law is available to BNC Bancorp or the Bank, and the Executive agrees not to urge in any such action the claim or defense that an adequate remedy at law exists.

2.4 Survival of common law protection. During and after the term of this Agreement, in addition to the protection thereof given by this Agreement the confidential information of the Bank and its Affiliates shall be entitled to all such protections as may be available under applicable law and the Bank and its Affiliates may seek to enforce any of its rights with respect thereto.

2.5 Creative work. The Executive agrees that all creative work and work product, including but not limited to all technology, business management tools, processes, software, patents, trademarks, and copyrights developed by the Executive during the term of the employment agreement, regardless of when or where such work or work product was produced, constitutes work made for hire, all rights of which are owned by BNC Bancorp and the Bank. The Executive hereby assigns to BNC Bancorp and to the Bank all rights, title, and interest, whether copyright, trade secret, trademark, patent, or otherwise, in all such work or work product, regardless of whether the same is subject to protection by patent, trademark, or copyright laws.

2.6 Rights and obligations survive termination of this Agreement. The rights and obligations set forth in this Article 2 shall survive termination of this Agreement.

ARTICLE 3

SPECIFIC PERFORMANCE

The Executive's covenants contained in Articles 1 and 2 shall survive termination of the Executive's employment with the Bank for any reason, and shall be enforceable after such termination. Without intending to limit the remedies available to BNC Bancorp and the Bank, the Executive agrees that damages at law are an insufficient remedy for violation by the Executive of his covenants contained in this Agreement. Accordingly, the Executive hereby agrees that either or both of BNC Bancorp or the Bank may apply for and is entitled to injunctive relief in any court of competent jurisdiction to restrain the breach or threatened breach of, or otherwise to specifically enforce, any of the covenants of such Articles, in each case without proof of actual damages, in addition to any other remedies that may be available under applicable law. The Executive hereby waives the claim or defense that an adequate remedy at law is available to BNC Bancorp or the Bank, and the Executive agrees not to urge in any action or proceeding the claim or defense that an adequate remedy at law exists.

Without limiting the generality of the foregoing, without limiting the remedies available to BNC Bancorp or the Bank for violation of this Agreement, and without constituting an election of remedies, if the Executive violates any of the terms of Articles 1 or 2 he shall forfeit on his own behalf and that of his beneficiary(ies) any rights to and interest in any severance or other benefits under the Separation Agreement and Full and Final Release of Claims and the Separation Agreement and Full and Final Release of Claims shall thereafter be null, void, and of no further force or effect.

ARTICLE 4

MISCELLANEOUS

4.1 Successors and assigns. Without written consent of the other party, neither BNC Bancorp and the Bank nor the Executive shall assign, transfer, or delegate this Agreement or any rights or obligations under this Agreement except as expressly provided herein. However, any merger or consolidation of the Bank (or any direct or indirect parent thereof) or any sale or transfer of all or substantially all of the stock or assets of the Bank (or any direct or indirect parent thereof) shall be considered an assignment expressly agreed to and consistent with the terms of this Agreement and shall not be considered a violation of this Agreement.

This Agreement shall be binding upon the parties hereto and their heirs, personal representatives, successors, and permitted assigns. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, and legatees.

4.2 Governing law. This Agreement shall be construed under and governed by the internal laws of the State of North Carolina, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of North Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of North Carolina.

4.3 Entire agreement. This Agreement, as well as the Separation Agreement of even date and this documents referenced therein at Section 7.3(a), set forth the entire agreement of the parties with respect to the subject matter and any oral or written statements, representations, agreements, or understandings not set forth in this Agreement that were made or entered into prior to or contemporaneously with the execution of this Agreement are hereby rescinded, revoked, and rendered null and void by the parties.

4.4 Notices. Any notice required or permitted under this Agreement shall be deemed to have been effectively made or given if in writing and personally delivered, delivered by mail properly addressed in a sealed envelope, postage prepaid by certified or registered mail, delivered by a reputable overnight delivery service, or sent by facsimile. Unless otherwise changed by notice, notice shall be properly addressed to the Executive if addressed to 2201 Rhododendron Court, Charlotte, North Carolina 28205, and properly addressed to BNC Bancorp or the Bank if addressed to BNC Bancorp, 831 Julian Avenue, Thomasville, North Carolina 27361-1148, Attention: Corporate Secretary.

4.5 Severability. In the case of conflict between any provision of this Agreement and any governing statute, law, regulation, or judicial precedent, the latter shall prevail, but the affected provisions of this Agreement shall be curtailed and limited solely to the extent necessary to bring them within the requirements of law. If any provision of this Agreement is held by a court of competent jurisdiction or in a dispute resolution proceeding to which BNC Bancorp and the Bank have agreed to be subject to be indefinite, invalid, void, voidable, or otherwise unenforceable, the remainder of this Agreement shall continue in full force and effect unless that would clearly be contrary to the intentions of the parties or would result in an injustice.

4.6 Captions and counterparts. The captions in this Agreement exist solely for convenience. The captions do not define, limit, or describe the scope or intent of this Agreement. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

4.7 Amendment and waiver. This Agreement may not be amended, released, discharged, abandoned, changed, or modified except by an instrument in writing signed by each of the parties hereto. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall not be construed to be a waiver of any such provision, nor affect the validity of this Agreement or any part thereof or the right of any party to enforce each and every provision. No waiver or any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

EXECUTIVE

/s/ Ralph N. Strayhorn III

Ralph N. Strayhorn III

BNC BANCORP

By:

/s/ W. Swope Montgomery, Jr.

Its:

President and CEO

BANK OF NORTH CAROLINA

By:

/s/ W. Swope Montgomery, Jr.

Its:

President and CEO