



Welcome to Tri Counties Bank

Dear Valued Customer:

As you may already be aware, on Friday, September 23, 2011, Tri Counties Bank assumed substantially all of the deposits and loan assets of Citizens Bank of Northern California through a Purchase and Assumption Agreement with the Federal Deposit Insurance Corporation (FDIC). From a customer perspective, this means that Tri Counties Bank now stands behind the deposits and loans of Citizens Bank of Northern California. As we move forward, we will be working closely with Citizens Bank of Northern California and the FDIC to integrate our teams to serve your ongoing financial needs, and provide a smooth transition in the bank's day-to-day operations.

For many of you, I imagine that this announcement comes as a bit of a surprise, and brings a little uncertainty about what to expect. Please be assured that we are committed to making this transition as seamless as possible for you.

As we work together on this endeavor, there are a few important details I want to share with you:

- You do not need to change your normal banking behaviors. Your deposits and loans are safe, sound and readily accessible. You can continue to write and cash checks as usual, and continue banking with Tri Counties Bank just as you did with Citizens Bank of Northern California.
- Tri Counties Bank is here to provide a solid financial platform for Citizens Bank of Northern California customers. With over \$2.1 billion in total assets and approximately \$1.8 billion in total combined deposits as of June 30, 2011, Tri Counties Bank has a strong liquidity position and is a well-capitalized community bank, headquartered in Northern California.
- We are committed to the financial success of our customers, and we look forward to providing you with a first-class community banking experience.

As we welcome you to Tri Counties Bank, we want to provide you with clear and concise information related to the important details of what this acquisition means for you:

- Your account(s) at Citizens Bank of Northern California have been automatically transferred to Tri Counties Bank. **However, you will still need to "claim" your account(s) within the next 18 months.** This simply means you need to use your ATM/Debit card, write a check, make a deposit (electronic or in person) or use your online bill pay. For additional details, please review the enclosed FDIC information. If you need further assistance, visit your local branch or give us a call at 1-800-922-8742.

- We will review rates paid on deposit accounts and will notify you if interest rates will change.
- We really hope that you'll get to know us and continue banking with us. However, you can withdraw all or any portion of the deposits you held at the former Citizens Bank of Northern California at any time without being liable for early withdrawal penalties.

During the course of the next few months, you will see some changes as we work to complete the transition of the former Citizens Bank of Northern California to Tri Counties Bank. You will notice new signage in place, but the same community banking and personalized, dedicated service and values you've come to expect will stay the same. In the meantime, if you have questions, please stop by your local branch or give us a call toll-free at 1-800-922-8742. We're also online at www.tricountiesbank.com.

On behalf of our more than 700 Tri Counties Bank employees and our Board of Directors, we look forward to serving all your financial needs, and earning your confidence and trust.

Sincerely,



Rick Smith
President/CEO
Tri Counties Bank



**NOTICE TO DEPOSITORS OF
CITIZENS BANK OF NORTHERN CALIFORNIA
Your Institution Has Been Closed**

****YOUR DEPOSITS HAVE BEEN TRANSFERRED
TO ANOTHER INSTITUTION****

On September 23, 2011 (the "Closing Date"), the California Department of Financial Institutions closed Citizens Bank of Northern California, Nevada City, CA 95959 (the "Failed Institution"), and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver"). The FDIC, which insures your deposits in its corporate capacity, arranged for the transfer of your deposit(s) ("deposits") at the Failed Institution to another insured depository institution, Tri Counties Bank, Chico, CA 95973 ("the New Institution"). This arrangement should minimize any inconvenience the closing of the Failed Institution may cause you. Although you may leave your deposits in the New Institution, you must take some action to claim ownership of your deposits.

1. How to Claim Ownership of Your Deposits

Under federal law 12 U.S.C. Section 1822(e) you must claim ownership of your deposits at the New Institution within eighteen (18) months from the Closing Date. If you do not claim your deposits at the New Institution by March 23, 2013, your deposits will be returned to the FDIC by the New Institution, and you may not be able to claim the deposits, except as described below in Section 2.

You may claim your deposits at the New Institution by taking any of the following actions within 18 months from the Closing Date. If you have more than one deposit account, your action in claiming your deposit in one account will automatically claim your deposits in all of your accounts.

- a. Making a deposit to or withdrawal from your account(s). This includes writing a check on any account or having an automated direct deposit credited to or an automated withdrawal debited from any account;
- b. Executing a new signature card on your account(s), entering into a new deposit agreement with the New Institution, changing the ownership on your account(s), or renegotiating the terms of a certificate of deposit account;
- c. Providing the New Institution with a completed change of address form; or
- d. Writing to the New Institution and notifying it that you wish to keep your account(s) active. Please be sure to include in this notice the name(s) on the account(s), the account numbers, and the signature of an authorized signer on the account(s), with name and address.

You should know that bank drafts issued by the Failed Institution, including officer's checks, cashier's checks, money orders, dividend checks, interest checks, and expense checks, are all considered deposits and must be claimed within 18 months from the Closing Date.

2. Failure to Claim Ownership of Your Deposits within 18 Months

If you do not claim ownership of your deposits at the New Institution within 18 months from the Closing Date, federal law, 12 U.S.C. Section 1822(e), requires the New Institution to return the deposits to the FDIC and the FDIC to deliver the unclaimed deposits as unclaimed property to the state listed in your address in the Failed Institution's records. If your address is outside of the United States, the FDIC is directed to deliver the unclaimed deposits to the state in which the Failed Institution had its main office. If

the state accepts custody of your deposits, you will have ten years from the date of delivery to claim your deposits from the state in accordance with its unclaimed property laws. If you do not claim your deposits from the state within the ten years, the funds will be returned to the FDIC, and you will be permanently barred from claiming your deposits. If the state declines to accept custody of your unclaimed deposits, you will be able to claim your deposits directly from the FDIC until the receivership is terminated. However, please note that a receivership may be terminated at any time. Once the receivership is terminated, you will not be able to claim your deposits.

3. Your Deposit Relationship With The New Institution

The New Institution needs your correct address. If the address to which this notice has been addressed is no longer your current address, contact the New Institution to ensure that it has your correct address. Similarly, if you have not been receiving account statements, or you have changed your address, you should contact the New Institution. Remember, supplying a completed change of address form to the New Institution will serve to claim your deposits.

Your deposit agreement with the Failed Institution is no longer in force. The New Institution will determine the interest rate it will pay on your deposits and will notify you of its rate structure.

If you choose not to keep your deposits at the New Institution, you may withdraw your deposits without penalty. As stated above, if you have more than one account, withdrawing money from any one of the accounts will serve to claim all of your deposits.

4. Challenging Your Final Insurance Determination

In the event you disagree with the FDIC's determination of your insurance coverage as represented by the accounts made available at the New Institution, you may seek a review of the FDIC's determination in the United States District Court for the federal judicial district where the principal place of business of the Failed Institution was located. **You must file your request for this review no later than 60 days after the date on which your deposits became available to you at the New Institution. Filing a request for review will not prevent you from using the funds in your new account.**