



Small Business Lending Center

AEDC provides loans and support to entrepreneurial, innovative business and community endeavors.

100 Ericson Court, Suite 100A, Arcata, CA 95521 707.822.4616 707.822.8982 fax www.aedc1.org

January 22, 2018

Tri Counties Bank
Richard Smith, President and CEO
63 Constitution Drive
Chico, CA 95973

Dear Mr. Smith,

On behalf of our Board of Directors and staff, please accept our sincere thanks for Tri Counties Bank's support of Arcata Economic Development Corporation (AEDC) over the past several years. We are proud to collaborate with Tri Counties Bank and are grateful for the bank's continued commitment to our mission.

It is our understanding that Tri Counties Bank has or will soon be filing a merger application with the Federal Regulatory Agencies to acquire First National Bank (FNB) of Northern California. We are confident this proposed merger will serve to strengthen Tri Counties Bank's position in our communities in Northern California. AEDC would like to express its support for the proposed merger between Tri Counties Bank and FNB Northern California.

AEDC has been in existence for 40 years and serves a six-county area in Northern California. Our products and services are designed specifically to meet the needs and demands of our service area by providing access to capital with terms that allow for more risk tolerance and term flexibility than traditional lenders. We do not compete with banks, but are able to fund higher risk loans (like start-up businesses) and carry those loans until the businesses are able to qualify for lower rate bank loans. We have been supported by Tri Counties Bank through direct contributions to AEDC and also received assistance with our COIN application to the State of California under the CDFI Tax Credit Program

Tri Counties Bank's experience and strong commitment in providing technical assistance support to non-profits and access to capital for small businesses demonstrates their commitment to community. In addition, over the past few years Tri Counties Bank has become a leader in large community development lending projects, by providing loans to support affordable housing, revitalization and other economic development initiatives.

The bank is strongly aligned with our mission and goals and we feel they will bring strong organizational, administrative and management experience to FNB Northern California's market area in San Francisco, San Mateo, and Santa Clara counties. In addition, they are well positioned to



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continue to contribute to our community and these new market areas through their ability to provide access to capital, technical assistance grants and community investments.

AEDC enthusiastically supports Tri Counties Bank's merger application with FNB Northern California.

Sincerely,

Ross Welch
Executive Director

CC: Mark Pinkard, FDIC
Frank Bushnell, DBO



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