



November 5, 2007

To our shareholders:

In this, our first quarterly letter to shareholders, we are pleased to report that your Bank is solidly underway. In early July, we completed a very successful initial public offering of our shares, taking in \$27.5 Million of capital from just over 400 local shareholders. We opened our doors on July 17th in temporary quarters at 270 Lafayette Circle and immediately began several days of live systems testing. We then began the process of bringing our products to market, beginning with low activity depository accounts such as money market accounts and certificates of deposit. We are slated to implement a total of 57 banking products, each of which requires live testing before its public launch.

During our partial first quarter, we brought 45 of these products to market, but we still lacked *digital check deposit* capability. The latter enables our business customers to deposit their receipts electronically through an onsite scanner. Without digital deposit, we were hampered in our ability to pursue operating accounts of business clients. On the retail side, we also still lacked *debit /ATM* cards and an interface between *internet banking* and *Quicken/Quickbooks*.

Accomplishments

We are pleased that, midst the vicissitudes of start-up, we kept the Bank on plan for Total Deposits. At the end of the partial quarter ended September 30th, 2007, Total Deposits were at \$11.3 Million. With the liquidity that our initial deposits afforded, we have begun accepting loan requests. At quarter end, Total Gross Loans outstanding were \$1.7 Million.

We are also pleased that shortly after the end of the quarter, we brought *digital check deposit* on line. We also enabled the *Quicken/Quickbooks* interface on our online banking site, and we expect to bring *debit /ATM* cards on line just after Thanksgiving.

All of these and other day-to-day accomplishments have taken place in our temporary quarters. We are excited that the Bank's permanent quarters at 3595 Mt. Diablo Boulevard, Second Floor, are expected to become available the third week of November, 2007.

Building Our Team

Upon opening, our executive team already included two highly accomplished commercial lenders, **Tom Park** and **Steve Shelton**, both well known throughout our Bay Area marketplace and both instrumental in the formation of the Bank. In addition to their business development duties, these two individuals now spearhead our sales and relationship management recruiting. Our recruiting is calculated to take aggressive advantage of the excitement surrounding the formation of a Lafayette based bank with leading edge technology delivered by bankers who have deep business services expertise in our market area. We also wish to exploit the opportunities created in the face of the numerous bank mergers and buyouts that occurred over the past two years. Since opening our doors, we have augmented our relationship services team with six talented individuals, as follows:

Michele Wirfel, Senior Vice President joined us to focus on middle market business lending. She brings over 16 years of business lending and relationship management experience in our market area.

Terry Guillory joined us as Senior Vice President focused on construction lending and commercial real estate, primarily for our owner-user business clients, and commercial lending. Terry has 25 years of commercial and real estate lending experience, primarily in our market area.

Tony Mesones, Senior Vice President joined us to focus on middle market business lending. He brings us over 13 years of business lending experience in our market area.

Dan Peterson joined us as Senior Vice President Cash Management Services, leading a team that will provide highly personalized design and implementation assistance for internet banking and cash management. Dan and his team will provide onsite consulting to you and your business, helping to preserve the best of what you currently do while at the same time identifying opportunities to improve your banking experience.

Steve Tessler joined us as Executive Vice President to head up our sales effort. Steve will bring to the entire team a disciplined approach to the marketplace and a wealth of his own business relationships in our market area, garnered over the past 17 years.

Diane Azaro-Barbera, Banking Officer, will lead our Lamorinda banking effort, and brings an award-winning history of community involvement and volunteerism.

This is a team of which even a mature bank would be justly proud. They are trusted and well liked by the very clients we are targeting. They are respected by the best of the other account officers with whom they compete. These qualities bode well for both the business development and the ongoing recruiting efforts of our institution.

It should be noted that, in addition to building a talented business development team, we have added important administrative talent as well. **Randy Greenfield** joined us as Chief Financial Officer, bringing many years of experience in financial management, including start-up experience, most recently at Diablo Valley Bank. The Bank's Controller is **Remy Boyd**, who held the same post at Diablo Valley Bank. **Tom Dorrance** joined us as Chief Information Officer, having held a similar post at Vintage Bank.

Listing Our Shares

We are in application to list our shares on the Over the Counter Bulletin Board market and expect to have a trading symbol and live market for our shares before the end of the year. We will notify you once our shares are listed and will ask all of you who are holding certificates to please deposit those certificates in street name with your broker (if you made an IRA purchase, this has already been done). Street name is important to us, because it significantly reduces our costs.

The Ask

Let us close with this pitch: Working together, the Organizers, Directors, and employees have built a credible model for success. Now, to transform the model to reality, we need deposits. If all of us join by opening our business and personal accounts, we will have the raw material to make the loans that will grow the Bank and drive it toward profitability. Make plans to come by the new location after Thanksgiving so that we can put even better numbers on the books by year-end.

Thank you for supporting your Bank.

John Rossell, President and CEO



Edward Collins, Chairman

