

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SHASTA

JOHN SOLAK, Individually on Behalf of Himself and All Others Similarly Situated,	)	Case No. 179099
	)	
Plaintiff,	)	Judge: Monica Marlow
	)	
v.	)	Dept.: 6
	)	
NORTH VALLEY BANCORP, MICHAEL J. CUSHMAN, J.M. WELLS, JR., DANTE W. GHIDINELLI, KEVIN D. HARTWICK, DOLORES M. VELLUTINI, ROGER B. KOHLMEIER, MARTIN A. MARIANI, PATRICK W. KILKENNY, TIMOTHY R. MAGILL, TRICO BANCSHARES, and DOES 1 Through 25, Inclusive,	)	Date Action Filed: January 24, 2014
	)	
	)	Hearing Date: October 26, 2015
	)	
Defendants.	)	Hearing Time: 8:30 a.m.
	)	
	)	

**NOTICE OF PENDENCY OF PROPOSED  
SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING**

**TO: ALL PERSONS WHO OWNED NORTH VALLEY BANCORP ("NORTH VALLEY" OR THE "COMPANY") COMMON STOCK AT ANY TIME FROM AND INCLUDING JANUARY 21, 2014, THROUGH AND INCLUDING OCTOBER 3, 2014, THE DATE OF THE CONSUMMATION OF THE TRANSACTION BETWEEN NORTH VALLEY AND TRICO BANCSHARES ("TRICO"). PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY A PROPOSED SETTLEMENT OF THE CLASS ACTION LITIGATION.**

This Notice of Pendency and Proposed Settlement of Class Action and Settlement Hearing ("Notice") was authorized and approved by the Superior Court of the State of California, County of Shasta (the "Court"). This Notice, however, is not an expression of opinion by the Court as to the merits of any claims or defenses asserted by any party in this class action litigation. This Notice is sent for the sole purpose of informing you of the proposed Settlement<sup>1</sup> of the Action described below on the terms set forth in the Stipulation of Settlement dated as of May 18, 2015, and of the hearing to be held by the Court to consider the fairness, reasonableness and adequacy of the Settlement. If approved, the Settlement will end litigation of the Action. This is not a solicitation from a lawyer.

On January 21, 2014 North Valley and TriCo announced that they had entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which North Valley shareholders were to receive 0.9433 TriCo shares in exchange for each share of North Valley they own. The transaction required the approval of North Valley shareholders. Following the announcement, Plaintiff filed the Action on behalf of North Valley shareholders in the Court alleging, among other things, that the Individual Defendants breached their fiduciary duties in connection with the Merger by, among other things, failing to conduct a thorough sales process for the Company and agreeing to accept the inadequate consideration in connection with the Merger. Additionally, Plaintiff asserted that TriCo aided and abetted the Individual Defendants' alleged breaches of fiduciary duty. Following the filing of these lawsuits but prior to the shareholder vote, after extensive arm's-length negotiations by the Parties concerning a potential resolution of the Action, the Action was settled. North Valley agreed to provide two sets of additional disclosures to North Valley shareholders regarding the transaction (collectively, the "Supplemental Disclosures"). The Supplemental Disclosures contain information that Plaintiff and Plaintiff's Counsel believe provided North Valley shareholders with information sufficient to make a fully-informed vote on the transaction.

Plaintiff and Defendants vigorously disagree on whether Plaintiff could have prevailed on their claims. Plaintiff believes the claims alleged in the Action have substantial merit. Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiff in the Action. Continued litigation of the Action could have resulted in either dismissal or loss at trial.

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<sup>1</sup> Except as expressly provided herein, all capitalized terms shall have the same meanings and/or definitions as set forth in the Stipulation of Settlement dated May 18, 2015, and filed with the Court on May 22, 2015.

The Court has given its preliminary approval to the Settlement of the Action. Your rights and options are explained in this Notice. A summary of your rights is set forth below. The Court will hold a hearing on October 26, 2015 at 8:30 a.m. to determine whether to give final approval to the Settlement. Please note that the date of the Settlement Hearing is subject to change without further notice.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>OBJECT</b>	You may write to the Court if you do not like this Settlement.
<b>GO TO THE SETTLEMENT HEARING</b>	If you make a written objection, you may ask to speak to the Court about your concerns relating to the Settlement at the Settlement Hearing.
<b>DO NOTHING</b>	You may do nothing. If you do nothing, you will give up any rights that you had to sue Defendants and the other Released Persons relating to the legal claims in the case. You will remain a member of the Settlement Class and be bound by the Judgment of the Court.
<b>DEADLINES</b>	The Settlement Hearing will take place on October 26, 2015 at 8:30 a.m. The deadline for filing an objection to the Settlement is October 5, 2015.
<b>MORE INFORMATION</b>	More information concerning the Settlement can be obtained by writing or calling Darnell Donahue, Esq., Robbins Arroyo LLP, 600 B Street Suite 1900, San Diego, California 92101, 619-525-3990.

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## I. BASIC INFORMATION

### 1. Why Did I Get this Notice Package?

You or someone in your family may have held North Valley common stock during the period from and including January 21, 2014 through and including October 3, 2014, the date of consummation of the Merger between North Valley and TriCo, pursuant to which North Valley shareholders were to receive 0.9433 TriCo shares in exchange for each share of North Valley they own. The Court directed that you be provided this Notice because, if you are a member of the Settlement Class, you have a right to know about the proposed Settlement of a class action lawsuit, and about all of your options before the Court decides whether to approve the Settlement. This package describes the lawsuit, the Settlement, and your legal rights as a shareholder.

### 2. What Is this Lawsuit About?

On January 21, 2014, North Valley and TriCo announced the Merger Agreement, pursuant to which North Valley shareholders were to receive 0.9433 TriCo shares in exchange for each share of North Valley they own. On January 24, 2014, Plaintiff filed the Action on behalf of North Valley shareholders in the Court alleging, among other things, that the Individual Defendants breached their fiduciary duties in connection with the Merger by, among other things, failing to conduct a thorough sales process for the Company and agreeing to accept the inadequate consideration in connection with the Merger. Additionally, Plaintiff asserted that TriCo aided and abetted the Individual Defendants' alleged breaches of fiduciary duty. The Parties to the Action litigated the class action by serving requests for production of documents, deposition subpoenas for third parties, preparing and sending a settlement demand, and negotiating the Supplemental Disclosures, among other things. The Parties engaged in extensive arm's-length negotiations concerning a potential resolution of the Action, and after extensive arm's-length negotiations, Plaintiff, through his counsel, and Defendants, through their counsel, reached an agreement in principle, set forth in a Memorandum of Understanding ("MOU"), and further detailed in the Stipulation.

In consideration for the full settlement and release of all claims related to the Merger in the Action, after extensive negotiations among the Parties, the Company disclosed the information set forth in a Definitive Proxy Statement (the "Initial Supplemental Disclosures") and the supplement to the Definitive Proxy (the "Secondary Supplemental Disclosures and collectively with the "Initial Supplemental Disclosures" the "Supplemental Disclosures"). Plaintiff and Plaintiff's Counsel have concluded that the Supplemental Disclosures provided North Valley shareholders with material information sufficient to cast a fully-informed vote on the Merger.<sup>2</sup>

The Settlement is the product of: (i) Plaintiff's Counsel's independent investigation into the Merger; (ii) Plaintiff's Counsel's review of certain discovery material produced by Defendants at the request of Plaintiff's Counsel; (iii) Plaintiff's Counsel's interviews of Peter Buck, the Managing Director of Investment Banking at Sandler O'Neill, and defendant Michael J. Cushman, the President, Chief Executive Officer, and a director of North Valley; and (iv) Plaintiff's Counsel's determination that the Settlement of the Action is in the best interests of the Settlement Class.

If the Court approves the Settlement, all members of the Settlement Class will release any and all claims relating to the Merger or to matters alleged in the Action, against the Defendants and certain others who are related to Defendants. The exact terms of the release are contained in the Stipulation of Settlement ("Stipulation"), which may be inspected during business hours at the office of the Clerk of the Court, Superior Court of California for Shasta County, 1500 Court Street, Redding, CA 96001.

### 3. Why Is this a Class Action?

In a class action, one or more persons sue on behalf of people who have similar claims. These people are collectively referred to herein as the Settlement Class. The Court has appointed Plaintiff to act as representatives of the Settlement Class. The Court will resolve the issues for all the members of the Settlement Class.

### 4. Why Is There a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. The Settlement was negotiated at arms' length by the attorneys for the Parties before any trial or hearing. The attorneys for all of the Parties have extensive experience in cases like these cases, and all of them believe the Settlement is in the best interests of their clients.

The Plaintiff and Plaintiff's Counsel have concluded, after an extensive investigation, the taking of interviews and consultation with a financial expert, that the Supplemental Disclosures that were made as a result of the

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<sup>2</sup> The Supplemental Disclosures are attached to the Stipulation as Exhibit A.

Settlement provided North Valley shareholders with material information sufficient to cast a fully-informed vote on the Merger. Defendants, while denying that there was anything wrong with the Merger price or the original disclosures to stockholders, felt that the Settlement was in their best interests.

**5. How Do I Know if I Am Part of the Settlement?**

For purposes of the Settlement, the Court has preliminarily certified a Settlement Class consisting of all North Valley's shareholders (excluding Defendants, their immediate family members, or any person over whom any Defendant exercises sole or exclusive control) who held such stock at any time from and including January 21, 2014 through and including October 3, 2014, the date of consummation of the Merger, including any and all of their successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns, or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, and each of them.

**6. What Are the Exceptions to Being Included?**

You are not a member of the Settlement Class if you are a Defendant or an affiliate of a Defendant.

**7. I Am Still Not Sure if I Am Included.**

If you are still not sure whether you are included as a member of the Settlement Class, you can ask for free help. You can call or write to Plaintiff's Counsel at the following addresses for more information: Robbins Arroyo LLP, 600 B Street, Suite 1900, San Diego, California 92101, Telephone: (619) 525-3990, Facsimile: (619) 525-3991.

**8. What Benefits Were Obtained as Part of the Settlement?**

The Company disclosed the information set forth in the Supplemental Disclosures in the Definitive Proxy Statement and a Supplement to the Definitive Proxy Statement, filed with the SEC on June 30, 2014 and August 1, 2014 respectively, in connection with the shareholder vote on the Merger. Plaintiff believes that the Supplemental Disclosures provided shareholders with material information that enabled shareholders to make a fully informed vote on the Merger.

The Supplemental Disclosures provided shareholders with additional information concerning, among other things: (i) the background of the Merger and the sales process that led to the Merger, such as: (a) the reasons the Board determined that it would be in North Valley's best interest to pursue further due diligence with TriCo before proceeding further discussions with Company C, and (b) the cash versus stock components (and the implied overall value of such proposals) of the indications of interest, as well as the revised indications of interest, received from TriCo and Company C; (ii) the key inputs and assumptions underlying the financial analyses of Sandler O'Neill, the Company's financial advisor, in support of their fairness presentation, including additional information regarding the multiples, ratios, and metrics derived for each of the *North Valley Comparable Company Analysis* and the *TriCo Comparable Company Analysis*; and (iii) the key inputs and assumptions underlying the financial analyses of Sandler O'Neill in the *North Valley Net Present Value Analysis* and the *TriCo Net Present Value Analysis*, including additional information regarding the range of discount rates with assumed deviations from a national discount rate of 15.53%.

**II. THE LAWYERS REPRESENTING YOU**

**9. Do I Have a Lawyer in this Case?**

The Court appointed the following law firm to represent the named Plaintiff and the Settlement Class:

ROBBINS ARROYO LLP  
600 B Street, Suite 1900  
San Diego, CA 92101  
Telephone: (619) 525-3990

You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**10. How Will the Lawyers Be Paid?**

Plaintiff's Counsel have neither received any payment for their services in prosecuting the Action on behalf of Plaintiff and the Settlement Class, nor have Plaintiff's Counsel been paid for their litigation expenses incurred to date. Plaintiff and Plaintiff's Counsel intend to petition the Court for an award of attorneys' fees and expenses not to exceed \$375,000. Defendants have reserved all rights with respect to Plaintiff's fee petition. North Valley (or its insurer(s) or successor(s)) will pay, or cause to be paid, on behalf of itself and for the benefit of the Defendants, the

amount awarded by the Court for Plaintiff's attorneys' fees and expenses. Neither you nor any other member of the Settlement Class is personally liable for the Fee and Expense Amount. The Fee and Expense Amount approved by the Court will be the only payment to Plaintiff's Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis.

### III. THE SETTLEMENT HEARING

#### 11. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a hearing to decide whether to approve the Settlement. The Settlement Hearing will be held before the Honorable Monica Marlow, on October 26, 2015 at 8:30 a.m., in Department 6, Superior Court of the State of California, County of Shasta, 1500 Court Street, Redding, CA 96001. At the Settlement Hearing, the Court will consider whether the Settlement, including the Fee and Expense Amount, is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may decide the fairness of the Settlement, including the Fee and Expense Amount at the hearing or sometime later. We do not know how long it will take the Court to decide.

#### 12. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a member of the Settlement Class, you can object to the Settlement if you do not like any part of it. You can tell the Court that you do not agree with the Settlement or some part of it. Objecting is simply telling the Court that you do not like something about the Settlement. You must give reasons why you think the Court should not approve it. The Court will consider your views.

Any objection must be in writing and include your name, address, telephone number, your signature, and the number of shares of North Valley common stock you held at any time from and including January 21, 2014 through and including October 3, 2014. If you are represented by counsel, your objection must also include the name, address, and telephone number of your counsel. Any objection to the Settlement must be filed with the Court at the address below and mailed or delivered to Plaintiff's Counsel at the address below by October 5, 2015:

CLERK OF THE COURT  
Superior Court of the State of California  
County of Shasta  
1500 Court Street  
Redding, CA 96001

ROBBINS ARROYO LLP  
600 B Street, Suite 1900  
San Diego, CA 92101

*Plaintiff's Counsel*

SHARTSIS FRIESE LLP  
One Maritime Plaza, 18th Floor  
San Francisco, CA 94111

*Counsel for Defendants North Valley Bancorp, Michael J. Cushman, J.M. Wells, Jr., Dante W. Ghidinelli, Kevin D. Hartwick, Dolores M. Vellutini, Roger B. Kohlmeier, Martin A. Mariani, Patrick W. Kilkenny, and Timothy R. Magill*

MANATT, PHELPS & PHILLIPS, LLP  
One Embarcadero Center  
San Francisco, CA 94111

*Counsel for Defendant TriCo Bancshares*

#### 13. Do I Have to Come to the Hearing?

No. The attorneys for the parties will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay to have your own lawyer attend, but it is not necessary.

#### 14. May I Speak at the Hearing?

If you are a member of the Settlement Class who has submitted a written objection, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must mail a letter called a "Notice of Intention to Appear at Settlement Hearing in *Solak v. North Valley Bancorp*, Case No. 179099." Be sure to include your name, address, telephone number, your signature, and the number of shares of North Valley common stock you held and what date you acquired your shares. Your Notice of Intention to Appear must be received by the Clerk of the Court and Plaintiff's Counsel, at the addresses listed in Question 11, by October 5, 2015.

#### IV. IF YOU DO NOTHING

If you do nothing, you will still be bound by the Judgment of the Court. That means that you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit that falls within the Released Claims against the Released Persons if the Settlement is approved by the Court. The "Released Claims" means any and all known and unknown claims (as defined below) for damages, injunctive relief or any other remedy that have been or could have been asserted by any member of the proposed Settlement Class in any forum, including class, derivative, individual or other claims, whether state, federal or foreign, common law, statutory or regulatory, including, without limitation, claims under the federal securities laws, arising out of, related to, or concerning (i) the allegations contained in the Action, (ii) the proposed transaction, including the negotiations leading to the proposed transaction, the Merger Agreement, any agreements and disclosures relating to the proposed transaction and the Merger Agreement, any compensation or other payments made in connection with the Merger, and the consideration being paid pursuant to the Merger, (iii) the Preliminary Proxy, the Definitive Proxy or any other disclosures relating to the Merger, and (iv) any matter that could have been asserted in the Action regarding breach of fiduciary duty or failure to disclose material facts, or aiding and abetting any of the foregoing (all, collectively, the "Released Claims") shall be fully, finally and forever compromised, settled, extinguished, dismissed, discharged and released with prejudice pursuant to the terms and conditions herein, provided, however, that the claims to be released shall not include, the right of any Settlement Class member or any of the Defendants to enforce the terms of the Settlement, nor any claims under the federal securities laws that Plaintiff or any member of the Class may have against TriCo, solely in his, her, or its capacity as a stockholder of TriCo (at the time of the Merger), which are unrelated to the Released Claims.

The "Released Persons" means all Defendants in the Action (including all current directors of North Valley, whether named as defendants or not), and any of their present or former affiliates, parents, subsidiaries (including the directors and officers of such affiliates, parents, and subsidiaries), general partners, limited partners, partnerships, and their respective officers, directors, managing directors, employees, agents, attorneys, advisors, insurers, accountants, auditors, trustees, financial advisors, lenders, investment bankers, associates, representatives, heirs, executors, personal representatives, estates, administrators, successors and assigns.

"Unknown Claims" means any claim with respect to the subject matter of the Action that the Released Persons or Plaintiff or members of the Settlement Class do not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims, and the claims released by the Released Persons against Plaintiff, Plaintiff's Counsel, and members of the Settlement Class based upon or arising out of the commencement, prosecution, settlement or resolution of the Action or the Released Claims ("Released Persons' Released Claims"), including without limitation, those which, if known, might have affected the decision to enter into the Settlement or might have affected the decision not to object to the Settlement. With respect to any of the Released Claims and the Released Persons' Released Claims, the Parties stipulate and agree that upon the Effective Date, the Released Persons and Plaintiff shall expressly and each member of the Settlement Class shall be deemed to have, and by operation of the Judgment shall have, expressly waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code section 1542 (or any similar, comparable, or equivalent law or provision), which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

The Released Persons and Plaintiff acknowledge, and members of the Settlement Class shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims and the Released Persons' Released Claims, but that it is the intention of the Released Persons and Plaintiff, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish and release any and all Released Claims and the Released Persons' Released Claims (including Unknown Claims as defined in this paragraph), without regard to the subsequent discovery of additional or different facts. The Released Persons and Plaintiff acknowledge, and the members of the Settlement

Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims and the Released Persons' Released Claims were separately bargained for and was a key element of the Settlement and was relied upon by each and all of the Parties in entering into the Stipulation.

## **V. GETTING MORE INFORMATION**

### **15. Are There More Details About the Settlement?**

This Notice summarizes the proposed Settlement. This summary is qualified by, and subject to, the detailed terms of the Stipulation together with its Exhibits dated May 18, 2015.

### **16. How Do I Get More Information?**

There is additional information concerning the Settlement available in the Stipulation which may be inspected during business hours at the office of the Clerk of the Court, Superior Court of the State of California, County of Shasta, 1500 Court Street, Redding, CA 96001. More information concerning the Settlement can also be obtained by writing or calling Darnell Donahue, Esq., Robbins Arroyo LLP, 600 B Street Suite 1900, San Diego, California 92101, 619-525-3990.

## **VI. NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS**

If you hold or held any North Valley common stock at any time between and including January 21, 2014 and October 3, 2014, the date of the consummation of the Merger, as nominee for a beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the notice administrator:

*North Valley Bancorp Shareholder Litigation*  
Notice Administrator  
C/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040  
Telephone: 1-877-255-3515  
[www.northvalleybancorpshareholderlitigation.com](http://www.northvalleybancorpshareholderlitigation.com)

If you choose to mail the Notice yourself, you may obtain from the notice administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

*North Valley Bancorp Shareholder Litigation*

Notice Administrator

c/o Gilardi & Co. LLC

P.O. Box 8040

San Rafael, CA 94912-8040

<<|||a r c o d e >> CASECODE-<<Claim7>>-<<CKDIG>>  
<<FirstName>> <<LastName>>  
<<Addr1>> <<Addr2>><<City>>,  
<<State>> <<Zip>>-<<Zip4>>

**NORTHVLY**