

River Branch Capital LLC is serving as financial advisor to Mechanics Bank

Ford Financial Fund to Commence Tender Offer to Acquire Majority Interest in Mechanics Bank

DALLAS, TX and WALNUT CREEK, CA (September 25, 2014) — Ford Financial Fund II, L.P. (“Ford Financial”) and Mechanics Bank (the “Bank”) today jointly announced that they have entered into an agreement pursuant to which Ford Financial will conduct a tender offer to acquire a majority of the outstanding shares of common stock of the Bank. Under the terms of the agreement, Ford Financial will conduct a tender offer to purchase up to 65 percent of the outstanding shares of common stock of the Bank at a cash purchase price of \$26,832 per share. Mechanics Bank’s Board of Directors (the “Board”) has approved the transaction, which will allow the Bank’s existing shareholders the opportunity to obtain meaningful liquidity while maintaining an equity stake in the Bank moving forward.

The offer price represents a premium of approximately 62 percent over the last reported sale price of the Bank’s common stock on the OTC Bulletin Board on September 24, 2014, the day prior to the announcement of the transaction. The terms and conditions of the tender offer will be described in an Offer to Purchase and related documents that will be mailed to the Bank’s shareholders when Ford Financial commences the tender offer. The tender offer will be subject to the tender of a sufficient number of the Bank’s outstanding shares of common stock such that Ford Financial would own at least a 51 percent interest in the Bank,

as well as the receipt of regulatory approvals and other customary conditions.

Christa Steele, President and Chief Executive Officer of Mechanics Bank, said, “The Board strongly believes this transaction represents exceptional value for our shareholders and is in the best interest of our clients and employees. Ford Financial is a highly successful bank investor with a proven 35-year track record of partnering with financial institutions to facilitate growth. We take great comfort in knowing that Ford Financial has an intimate understanding of the banking business, and is fully committed to upholding our longstanding culture of excellence. Our Board also appreciates the flexibility Ford Financial provided by structuring a transaction that meets the varied needs of our shareholders.”

Commenting further on the merits of the transaction, Ms. Steele stated, “The completion of the tender offer would benefit our shareholders and the Bank in a number of ways. In addition to providing shareholders with a substantial premium and immediate liquidity, Mechanics Bank would gain a strong partner who is committed to supporting our next phase of growth. Together with Ford Financial’s experienced team of banking professionals, we will be able to build an even stronger enterprise benefiting our clients, employees and the communities we serve.”

“Mechanics Bank is a storied California institution, and it has earned a strong reputation over the course of its 109-year history as a trusted financial partner that enriches the communities in which it operates,” said Gerald J. Ford, Co-Managing Member at Ford Financial.

“Mechanics Bank has a clear strategic direction and a visionary leader in Christa Steele, who we fully endorse,” said Carl B. Webb, Co-Managing Member at Ford Financial. “We are impressed by the Bank’s focus on delivering superior client service, as well as its footprint in markets we know well from our extensive past experience in California. We look forward to working with Mechanics Bank to further solidify its position as a leading banking institution.”

Summary of Strategic Benefits

The completion of the tender offer is expected to benefit Mechanics Bank in the following ways:

- **Provides Immediate Shareholder Value:** The transaction would provide Mechanics Bank shareholders with the opportunity for immediate liquidity and substantial value for their investment. Shareholders will have the opportunity to sell all or a portion of their shares in Mechanics Bank for cash, subject to proration in the event more than 65% of the outstanding shares are tendered into the offer.

Ford Financial Fund *continued*

Importantly, shareholders will have the ability to make their own investment decision regarding the offer in light of their unique investment objectives.

- **Enhances Growth Prospects:**

Mechanics Bank would gain a strong committed partner with an established track record of success helping banking institutions facilitate meaningful growth.

- **Adds Significant Committed Shareholder:**

Ford Financial will own at least 51 percent of Mechanics Bank, reflecting its commitment and belief in Mechanics Bank's business model and long-term growth prospects.

- **Strengthens Board of**

Directors: With the completion of the tender offer, three new Board seats would be granted to representatives of Ford Financial, adding considerable depth, talent and industry experience to Mechanics Bank's Board.

Advisors

River Branch Capital LLC is serving as financial advisor to Mechanics Bank and Wachtell, Lipton, Rosen & Katz is serving as legal advisor. Sheppard Mullin Richter & Hampton LLP is serving as legal advisor to Ford Financial.

About Ford Financial Fund II, L.P.

Ford Financial Fund II, L.P. is a private equity fund with \$755 million in commitments that is focused on investments in financial services companies. Ford Financial's Co-Managing Members, Gerald J. Ford and Carl B. Webb, possess a rare combination of investment skill, deep industry expertise and decades of operational experience.

Ford Financial invests in a variety of opportunities, from healthy companies in need of growth equity to troubled banks that need to be recapitalized. Unlike most private equity funds, Ford Financial is structured and prepared to become a bank holding company under applicable banking regulations.

About Mechanics Bank

For more than a century, Mechanics Bank has been committed to helping people build prosperous communities through forging lasting relationships through teamwork, respect and integrity. The \$3 billion independent bank, based in Northern California, offers personal banking, business banking, trust, brokerage and wealth management services. For more information, please visit www.mechanicsbank.com.

Tender Offer Statement

The tender offer described in this communication has not yet commenced, and this communication is neither an offer to purchase nor a solicitation of an offer to sell any shares of the common stock of the Bank. This release is for informational purposes only. On the commencement date of the tender offer, Ford Financial will disseminate an Offer to Purchase, a letter of transmittal and related documents to the shareholders of the Bank. At or around the same time, the Bank will publish a statement with respect to the tender offer. Shareholders should read these materials carefully because they will contain important information, including the various terms and conditions of the tender offer. Shareholders will be able to obtain a free copy of these documents when they become available.

Forward Looking Statements

Certain statements set forth in this news release, particularly those pertaining to the Bank's expectations or future results or other outcomes, and other statements identified by words such as "estimates," "expects," "projects," "plans" and similar expressions, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including competition; the ability to execute initiatives; the impact of economic conditions (including changes in interest rates); variations in the ability and propensity of consumers and businesses to borrow, repay or deposit money, or to use other banking and financial services; the results of regulatory examinations or changes in law, regulations or regulatory practices; legal and administrative proceedings involving the Bank; the Bank's ability to attract and retain key management and staff; information technology; natural disasters; accounting matters; and other risk factors relating to the Bank's business or industry. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, the Bank undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Investor & Media Relations for Mechanics Bank

Phil Denning or Jason Chudoba
ICR, Inc.

203.682.8200

Phil.Denning@icrinc.com

Jason.Chudoba@icrinc.com