

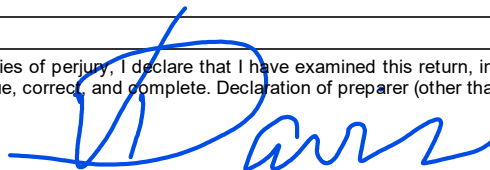
Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHMENT

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHMENT

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ March 14, 2022

Print your name ▶ Vic Davis Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name <u>CODY LEWIS</u>	Preparer's signature 	Digitally signed by LewisCP Date: 2022.03.14 08:11:36 -07'00'	Check <input type="checkbox"/> if self-employed	PTIN <u>P01319227</u>
	Firm's name ▶ <u>CROWE LLP</u>	Firm's EIN ▶ <u>35-0921680</u>			
	Firm's address ▶ <u>400 CAPITOL MALL, SUITE 1400, SACRAMENTO, CA 95814-4498</u>	Phone no. <u>916-441-1000</u>			

Santa Cruz County Bank
EIN: 13-4265907
Attachment to IRS Form 8937

Part II, Question 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On February 16, 2022, the board of directors of Santa Cruz County Bank (the "Company") declared a two-for-one stock split of the Company's outstanding common stock to shareholders of record as of the close of business on March 3, 2022. Each shareholder received one additional share of the Company's common stock for each share held on March 3, 2022. The new shares were issued to shareholders on March 16, 2022.

Part II, Question 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

As a result of the two-for-one stock split, shareholders received one additional share of common stock for each share owned as of March 3, 2022. In accordance with Internal Revenue Code Section 307(a), each shareholder is required to allocate the aggregate tax basis in their Company common stock held immediately prior to the two-for-one stock split among the shares of Company common stock held immediately after the two-for-one stock split. The effect to each shareholder is a reduction in their existing tax basis per share prior to the stock split of 100%, but each shareholder's total basis and proportionate interest in the Company remained the same.

Part II, Question 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

A shareholder will multiply the basis in each share held before the stock split by 1/2 to determine the per-share basis, after the stock split, in that share and the additional shares distributed in the stock split.

Part II, Question 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

IRC Section 305(a)
IRC Section 307(a)

Part II, Question 18: Can any resulting loss be recognized?

Company shareholders will generally not recognize a gain or loss in connection with the two-for-one stock split.

Part II, Question 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The United States federal income tax consequences of the stock split are taken into account in the tax year of each shareholder that includes March 16, 2022.