

Bank of Marin Bancorp
Form S-4
August 26, 2013

As filed with the Securities and Exchange Commission on August 23, 2013

Registration No: 333____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

BANK OF MARIN BANCORP
(exact name of registrant as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	6022 (Primary Standard Industrial Classification Code)	20-8859754 (I.R.S. Employer Identification No.)
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504 Redwood Blvd., Suite 100
Novato, California 94947
(415) 763-4520

(Address, including zip code and telephone number,
including area code, of registrant's principal and executive
offices)

Russell A. Colombo
Bank of Marin Bancorp
President and Chief Executive Officer
504 Redwood Blvd., Suite 100
Novato, California 94947
(415) 763-4520

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

copies to:

John F. Stuart, Esq.

Thomas G. Reddy, Esq.

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Kenneth E. Moore, Esq.
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Bingham McCutchen LLP
Three Embarcadero Center
San Francisco, CA 94111
(415) 393-2188

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered ¹	Proposed Maximum Offering Price Per Share ²	Proposed Maximum Aggregate Offering Price ²	Amount of Registration Fee
Common Stock, no par value	434,829 shares	\$40.82	\$17,749,720	\$2,421

¹ Represents the maximum number of shares of Bank of Marin Bancorp (“Marin”) common stock which could be issued in the merger with NorCal Community Bancorp (“NorCal”), based upon (i) the largest conversion ratio at which the NorCal common stock could be converted into shares of Marin common stock pursuant to the Agreement and Plan of Merger dated as of July 1, 2013 (the “merger agreement”) and (ii) the maximum number of shares of NorCal common stock which may be converted into shares of Marin common stock, pursuant to the merger agreement.

² Estimated solely for the purposes of calculating the registration fee and computed pursuant to Rule 457(c) and 457(f)(1) of the Securities Act. The proposed maximum aggregate offering price is equal to the product of (a)

\$40.82, and (b) the maximum number of shares of Marin common stock to be issued pursuant to the merger agreement.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
NORCAL COMMUNITY BANCORP
TO BE HELD [*], 2013

NorCal Community Bancorp
1701 Harbor Bay Parkway Ste. 100
Alameda, CA 94502

To the Shareholders of NorCal Community Bancorp

We are pleased to enclose this Notice of Annual Meeting, a proxy statement – prospectus (including our financial statements) and form of proxy.

You are cordially invited to attend the 2013 Annual Meeting of Shareholders, which will be held at 9:00 a.m. on [*], [*], 2013 at [*], California (the “Meeting”).

This Notice of Annual Meeting and proxy statement – prospectus provides information pertaining to the proposed merger of NorCal Community Bancorp (“NorCal”) with and into Bank of Marin Bancorp (“Marin”). The boards of directors of NorCal and Marin have approved the merger of NorCal into Marin, and the immediately subsequent merger of Bank of Alameda into Bank of Marin.

NorCal is holding its annual shareholders’ meeting to approve the merger agreement and to elect directors. Information about the NorCal meeting is contained in this proxy statement – prospectus. In particular, see “Risk Factors” beginning on page [*]. You are urged to read this document carefully and in its entirety.

In the merger, shareholders of NorCal will have the election to receive shares of common stock of Marin, cash or a combination in exchange for their shares of NorCal stock. Based on Marin’s closing sale price on [*], 2013 of \$[*] per share, you would receive \$[*] in value for each share of NorCal stock if you elected to receive half of your consideration in Marin stock and half in cash. However, the value you receive will change depending upon the performance of Marin’s common stock shortly before the closing. Moreover, shareholder elections are subject to certain allocation procedures designed to ensure that approximately half of the consideration paid by Marin is in the form of Marin common stock and the other half in cash. NorCal and Marin urge you to obtain current market quotations of NorCal and Marin common stock and to review and understand the allocation procedures discussed in the accompanying proxy statement – prospectus.

We expect that the transaction will be tax-free to NorCal’s shareholders who receive Marin common stock. Cash paid in lieu of fractional shares and cash paid to those shareholders receiving cash will be taxable. Upon completion of the merger, we expect that the shareholders of NorCal will own approximately [*]% of the outstanding shares of Marin, assuming none of Marin’s currently outstanding stock options or warrants are exercised.

Your continuing support of NorCal is appreciated, and we hope you will attend the meeting. Whether or not you are personally present, it is very important that your shares be represented at the meeting. Accordingly, please sign, date, and mail the enclosed proxy promptly. If you wish to

vote in accordance with the board of directors' recommendations, it is not necessary to specify your choices. You may simply sign, date and return the enclosed proxy. If you do not vote, it will have the same effect as voting against the merger agreement and not voting for any nominees for director.

Sincerely,
James B. Davis
Chairman of the Board

Stephen G. Andrews
President and Chief Executive Officer

1701 Harbor Bay Parkway, Suite 100, Alameda, California 94502
Telephone (510) 748-8000 Fax (510) 748-8050

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION OR BANK REGULATORY AGENCY HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE MERGER OR DETERMINED IF THIS PROXY STATEMENT – PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE MERGER ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK SUBSIDIARY OF MARIN, AND THEY ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

This proxy statement – prospectus is dated [*], 2013, and is first being mailed to shareholders on or about [*], 2013.

PROXY STATEMENT – PROSPECTUS
ANNUAL MEETING OF SHAREHOLDERS
NORCAL COMMUNITY BANCORP
TO BE HELD [*], 2013

INTRODUCTION

This proxy statement – prospectus is furnished in connection with the solicitation of proxies for use at the annual meeting of shareholders of NorCal Community Bancorp (“NorCal”) to be held at Alameda Theatre & Cineplex, 2317 Central Avenue, Alameda, California on [*], [*], 2013, at 9:00 a.m. (Pacific Time) , for the purpose of considering and voting on the following matters:

Approval of the Merger Agreement. To approve the merger agreement in the form attached as Appendix A to this
1. proxy statement – prospectus, for a merger of NorCal with and into Bank of Marin Bancorp (“Marin”) and the immediately subsequent merger of Bank of Alameda with and into Bank of Marin.

Election of Directors. To elect the following nominees to serve as directors of NorCal until the next Annual
2. Meeting of Shareholders and until their successors shall be elected and qualified (if the merger has not been completed by then), or until completion of the merger:

Stephen G. Andrews
Eric C. Cross
James B. Davis
Gregory R. Gersack
Michael G. Gorman

Kenneth M. Karmin
Kevin Kennedy
James L. McKenna
Joel Vuylsteke

No other business is expected to be conducted at the annual meeting.

The board of directors of NorCal has fixed the close of business on [*], 2013, as the record date for determination of shareholders entitled to notice of, and the right to vote at, the meeting. The nine nominees for director receiving the highest number of votes will be elected as directors. Approval of the merger agreement requires the affirmative vote of a majority of the shares of NorCal common stock issued and outstanding on the record date.

The board of directors of NorCal unanimously recommends that you vote “FOR” approval of the merger agreement and “FOR” management’s nominees for director.

Information about Nomination of Candidates for the Board of Directors

Nominations for election of members of the board of directors may be made by the board of directors or by any holder of any outstanding class of capital stock of the corporation entitled to vote for the election of directors. Notice of intention to make any nominations (other than for persons named in the notice of any meeting called for the election of directors) are required to be made in writing and to be delivered or mailed to the president of the corporation by the later of: (i) the close of business 21 days prior to any meeting of shareholders called for the election of directors, or (ii) ten days after the date of mailing of notice of the meeting to shareholders. Such notification must contain the following

information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of capital stock of the corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder; (e) the number of shares of capital stock of the corporation owned by the notifying shareholder; (f) the number of shares of capital stock of any bank, bank holding company, savings and loan association or other depository institution owned beneficially by the nominee or by the notifying shareholder and the identities and locations of any such institutions; (g) whether the proposed nominee has ever been convicted of or pleaded nolo contendere to any criminal offense involving dishonesty or breach of trust, filed a petition in bankruptcy or been adjudged bankrupt; and (h) a statement regarding the nominee's compliance with Section 2.3 of these bylaws. The notification shall be signed by the nominating shareholder and by each nominee, and shall be accompanied by a written consent to be named as a nominee for election as a director from each proposed nominee. Nominations not made in accordance with these procedures shall be disregarded by the chairman of the meeting, and upon his instructions, the inspectors of election shall disregard all votes cast for each such nominee.

Nominees for the board of directors must meet certain qualifications set forth in Section 2.3 of NorCal's bylaws, which prohibit the election as a director of any person who is a director, officer, employee, agent, nominee, material consulting accountant, analyst, attorney or policy decision maker for any other financial institution, lender or bank holding company or affiliate or subsidiary thereof, or who has been or is the assignee or nominee of anyone who has any contract, arrangement or understanding with any other financial institution, lender or bank holding company, or affiliate or subsidiary thereof, or with any officer, director, employee, agent, nominee, material consulting accountant, analyst, attorney or policy decision maker thereof, pursuant to which that person could be called upon to reveal or in any way utilize information obtained as a director, or pursuant to which that person will, directly or indirectly, attempt to effect or encourage any action of NorCal. The board of directors may waive enforcement of the foregoing qualifications in a particular instance if it determines that a director's or candidate's relationship with another financial institution, lender or bank holding company or affiliate or subsidiary thereof is not likely to result in misuse or unauthorized disclosure of the corporation's nonpublic information or other forms of unfair competition or to improperly influence a director's or candidate's activities as a director of the corporation, or if the board of directors determines that the benefit of a director's or candidate's participation on the board of directors outweighs the risks presented by such person's relationship with another financial institution, lender or bank holding company or affiliate or subsidiary thereof.

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Marin and Bank of Marin from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document but not otherwise accompanying this document by requesting them in writing or by telephone from Marin as follows:

Bank of Marin Bancorp
504 Redwood Blvd, Suite 100
Novato, California 94947
(415) 763-4523
Attention: Nancy Boatright

You will not be charged for any of these documents that you request. If you would like to request documents, please do so by [*] 2013, in order to receive them before the annual meeting. You can also obtain any of these documents at no cost from the SEC's website at <http://www.sec.gov>.

The documents incorporated by reference are listed under the caption "Where You Can Find More Information." In addition, Marin hereby incorporates by reference all its subsequent filed reports with the SEC prior to the date of the consummation of the merger.

NorCal does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and accordingly does not file documents or reports with the SEC.

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APPENDICES

Agreement and Plan of Merger

Fairness Opinion of Sandler O'Neill + Partners, L.P.

Chapter 13 of the California General Corporation Law

Appendix A

Appendix B

Appendix C

QUESTIONS AND ANSWERS

Following are brief answers to certain questions that you may have regarding the proposals being considered at the NorCal Community Bancorp Annual Meeting. NorCal Community Bancorp (“NorCal”, “we”, “our” or “us”) urges you to read carefully this entire proxy statement – prospectus because this section does not provide all the information that might be important to you. All references to the merger agreement are to the Agreement and Plan of Merger dated as of July 1, 2013 (the “merger agreement”) between Bank of Marin Bancorp (“Marin”) and NorCal, a copy of which is attached as Appendix A to this proxy statement – prospectus.

1. Why have I received these materials?

This proxy statement – prospectus and the enclosed proxy card were sent to you because the board of directors of NorCal is soliciting your proxy to vote at the meeting of shareholders to be held on [*], 2013. You are cordially invited to attend the meeting and are requested to vote on the proposals described in this proxy statement - prospectus. We intend to mail this proxy statement – prospectus and accompanying proxy card on or about [*], 2013 to all shareholders entitled to vote at the meeting.

2. What is being voted on at the meeting?

The matters to be considered and voted upon at the meeting are:

• **Approval of the Merger Agreement.** To approve the merger agreement in the form attached as Appendix A to this proxy statement – prospectus.

• **Election of Directors.** To elect the following nine persons to the board of directors of NorCal to serve until the earlier of the 2014 meeting of shareholders and until their successors are elected and have qualified (if the merger has not been completed by then), or the consummation of the merger described in the merger agreement:

Stephen G. Andrews	Gregory R. Gersack	Kevin Kennedy
Eric C. Cross	Michael G. Gorman	James L. McKenna
James B. Davis	Kenneth M. Karmin	Joel Vuylsteke

• **Other Business.** To transact such other business as may properly come before the meeting and any adjournment(s) thereof.

3. Who is entitled to vote?

Only holders of record of our common stock at the close of business on [*, 2013 (the “record date”) may vote at the meeting. According to Computershare, Inc., our transfer agent, there were 10,641,940 shares of our common stock outstanding as of the record date. Each share of common stock you hold has voting rights, including shares:

held directly in your name as shareholder of record (also referred to as “registered shareholder”); and
held for you in an account with a broker or other nominee (shares held in “street name”).

4. What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding at the close of business on the record date will constitute a quorum for the transaction of business at the meeting.

5. How many votes are required to approve each proposal? How many votes do I have?

Proposal I, approval of the merger agreement, requires approval by the holders of at least a majority of the issued and outstanding shares of NorCal. As of the record date, holders of 2,137,658 shares of NorCal common stock, representing approximately 20.1% of the outstanding shares, have signed voting agreements with Marin agreeing, among other things, to vote in favor of the merger agreement.

Proposal II, the election of directors, requires a plurality of the shares voting at the meeting for the election of directors. Accordingly, the nine directorships to be filled at the meeting will be filled by the nominees receiving the highest number of votes. In the election of directors, votes may be cast in favor or withheld with respect to any or all nominees. Votes that are withheld will be excluded entirely from the vote and will have no effect on the outcome of the vote.

Each holder of our common stock is entitled to one vote for each share recorded in his or her name on the books of NorCal as of the record date on any matter submitted to the shareholders for a vote, except that shareholders may vote their shares cumulatively for the election of directors if certain conditions are met at the meeting. Cumulative voting provides each shareholder with a number of votes equal to the number of directors to be elected multiplied by the number of shares held by such shareholder, which such shareholder can then vote in favor of one or more nominees. For example, if you held 100 shares as of the record date, you would be entitled to 900 votes which you could then distribute among one or more nominees. Cumulative voting may only be exercised at the meeting if (i) the name of the candidate or candidates for whom such votes would be cast has been placed in nomination prior to the voting; and (ii) at least one shareholder has given notice at the meeting prior to the voting of such shareholder’s intention to cumulate his/her votes.

An abstention from voting will be treated as “present” for quorum purposes and will not have any effect on the election of directors. However, an abstention will have the same effect as a vote against Proposal I and the merger.

6. How are votes counted?

You may either vote “FOR”, “WITHHOLD” or “FOR ALL EXCEPT” for each nominee for election to the Board. You may vote “FOR” “AGAINST” or “ABSTAIN” on the other proposals. Abstentions will be counted as present for purposes of determining the existence of a quorum. If you just sign and submit your proxy card without voting instructions, your shares will be voted “FOR” Proposal I and “FOR” each director nominee in Proposal II.

7. What is a broker non-vote?

If shareholders do not give their brokers instructions as to how to vote shares held in street name, the brokers have discretionary authority to vote those shares on “routine” matters. However, none of the matters on the agenda for the meeting is considered routine for this purpose. As a result, if you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on the non-routine matters, Proposal I (approval of the merger agreement) and Proposal II (election of directors) or any other matters which may be presented to the shareholders at the meeting. This is sometimes called a “broker non-vote.” Proxies returned to us by brokers who have not received voting instructions from their customers and therefore do not have authority to vote on the non-routine matters (Proposals I and II) will be counted as present for the purpose of determining whether there is a quorum at the meeting, but will not be voted.

8. What risks should I consider before I vote on the merger proposal?

We encourage you to read carefully the detailed information about the merger contained in this proxy statement – prospectus, including the section entitled “Risk Factors” beginning on page [*] and other factors that are discussed in documents that Marin has filed with the Securities and Exchange Commission and which are incorporated by reference in this proxy statement – prospectus.

9. How does the Board recommend that I vote?

The Board recommends that you vote your shares:

- “FOR” the merger agreement (Proposal I)
- “FOR” each of the nominees for election to the Board (Proposal II)

10. How do I vote my shares without attending the meeting of shareholders?

If you are a registered shareholder, you may vote without attending the meeting by granting a proxy. This may be done by signing and dating the enclosed proxy card and mailing it in the envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as guardian, executor, trustee, custodian, attorney, or officer of a corporation), you should indicate your name and title or capacity. If your shares are jointly owned by two or more persons, your proxy card will be valid if it is signed by any of the joint owners, unless we receive written notice from another joint owner either objecting to the authority of the first joint owner to appoint a proxy or appointing a different proxy. Proxy cards in the accompanying form, which are properly signed, duly returned to an officer of NorCal and not revoked in the manner described below, will be voted in the manner specified.

For shares held in street name, you will receive instructions from the broker or other nominee that you must follow in order for your shares to be voted. As noted above, if you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on Proposals I or II, or any other proposals on which your broker does not have discretionary authority to vote.

As an alternative to mailing your proxy card as described above, you may vote by telephone or by using the Internet. If you vote using the Internet or telephone, you do not need to return your proxy card (or cards, if you are the record shareholder for shares represented by more than one proxy card). We have designed telephone and Internet voting procedures that authenticate your identity as a shareholder, allow you to give your voting instructions and confirm that your instructions have been properly recorded. The deadline for telephone and Internet voting is __:00 a.m. _____ Time on [*], 2013. Instructions for telephone and internet voting procedures may be found at [*].

11. How do I vote my shares in person at the meeting of shareholders?

If you are a registered shareholder and prefer to vote your shares at the meeting, bring the enclosed proxy card or proof of identification. You may vote shares held in street name at the meeting only if you obtain a signed proxy from the record holder (broker or other nominee) giving you the right to vote the shares. Even if you plan to attend the meeting, we encourage you to vote in advance by mail so that your vote will be counted if you later decide not to attend the meeting. If you wish to vote in person at the meeting and have previously submitted a proxy, you must deliver to an officer of NorCal a written notice of termination of the proxy's authority before the vote. Attendance at the meeting will not itself revoke a previously granted proxy.

12. How do I change my vote?

You may revoke your proxy instructions at any time prior to the vote at the meeting by delivering to an officer of NorCal a written notice of termination of the proxy's authority or a properly signed proxy bearing a later date.

13. What does it mean if I receive more than one proxy card?

It generally means you hold shares registered in more than one account. To ensure that all your shares are voted, sign and return each proxy card you receive or vote by telephone or internet.

14. Are shareholders of Marin voting on the merger?

No, the shareholders of Marin are not required to approve the merger agreement.

15. What is happening in the merger?

NorCal is being merged with and into Marin, and immediately thereafter Bank of Alameda, our wholly owned subsidiary, is being merged with and into Bank of Marin, a wholly owned subsidiary of Marin, with Bank of Marin as the surviving entity. As result of such merger, NorCal and Bank of Alameda will cease to exist. The merger is governed by the merger agreement.

16. Why is the merger proposed?

NorCal is proposing the merger because its board of directors concluded that the merger is in its and its shareholders' best interest. NorCal believes that the merger affords a fair price and an opportunity for the combined companies to offer customers a broader array of services and products.

17. When will the merger be completed?

We expect to complete the merger promptly after NorCal's shareholders approve the merger agreement and after the receipt of all requisite governmental and regulatory approvals, the expiration of applicable waiting periods and the satisfaction or waiver of all other conditions to the merger. We currently expect this to occur during the fourth quarter of 2013 although delays may occur.

18. If the merger is approved what is the merger consideration to the NorCal shareholders?

If you are a holder of common stock of NorCal and do not exercise dissenters' rights, you will receive in exchange for each issued and outstanding share of NorCal common stock (other than any dissenting shares) the right to receive either (i) \$3.01 in cash or (ii) 0.07716 shares of Marin common stock, as selected by each NorCal shareholder. The exchange ratio of 0.07716 is subject to adjustment as explained in more detail in this proxy statement – prospectus. A shareholder may elect to exchange some of his or her shares into cash and other shares into stock. All shareholder elections for cash or stock are subject to potential adjustment so that no more than 50% of the shares of NorCal common stock outstanding are exchanged for Marin common stock; provided however, that in no event may the aggregate cash paid for NorCal common stock, dissenting shares, stock options, and cash in lieu of fractional shares exceed 58% of the total consideration paid by Marin in the merger. No interest will be paid on any merger consideration. Please read the section entitled "Proposal I – The Merger – Exchange Ratio," and the merger agreement included as Appendix A herein for additional information.

19. Should I send in my stock certificates now?

No. Marin's exchange agent will send NorCal shareholders separate written instructions for exchanging their stock certificates for Marin stock certificates and for making the stock/cash election described herein.

SUMMARY

This brief summary, together with the “Questions and Answers” on the preceding pages, highlight selected information from the proxy statement – prospectus. It does not contain all of the information that is important to you. You are urged to read carefully the entire proxy statement – prospectus and the other documents referred to therein in order to fully understand the merger. Each item in this summary refers to the page where that subject is discussed in more detail.

Information Regarding the Parties (Pages ___ and ___)

Bank of Marin Bancorp
504 Redwood Blvd., Suite 100
Novato, CA 94948
<http://www.bankofmarin.com>

Bank of Marin Bancorp (“Marin”), is a Northern California-based bank holding company for Bank of Marin. Bank of Marin has 17 full service branches serving the counties of Marin, San Francisco, Napa and Sonoma and has a strong focus on supporting these local communities. Bank of Marin’s customer base is made up of business and personal banking relationships from the communities near its branch office locations. Its business banking focus is on small to medium-sized businesses, professionals and not-for-profit organizations. Bank of Marin offers a broad range of commercial and retail deposit and lending programs designed to meet the needs of its target markets. Loan products include commercial real estate loans, commercial and industrial loans and lines of credit, construction financing, consumer loans, and home equity lines of credit.

Bank of Marin commenced operations in January 1990 as a California state chartered bank with its deposits insured by the Federal Deposit Insurance Corporation, (“FDIC”), up to the applicable limits. Bank of Marin is subject to primary supervision, examination and regulation by the California Department of Business Oversight, Division of Financial Institutions (“DFI”), and the FDIC.

On July 1, 2007, a bank holding company reorganization was completed whereby Marin became the parent holding company for the Bank of Marin. On such date, each outstanding share of Bank of Marin common stock was converted into one share of Marin common stock. Upon its formation, Marin became subject to regulation by the Board of Governance of the Federal Reserve System (“FRB”) under the Bank Holding Company Act of 1956, as amended, including reporting and examinations.

In February 2011, Bank of Marin expanded its community banking footprint to Napa County through an FDIC-assisted acquisition of \$107.8 million of assets and assumption of \$107.7 million of liabilities of the former Charter Oak Bank. No new capital was raised to complete this transaction which was supported through Marin’s accumulation of earnings.

At June 30, 2013, Marin had total assets of \$1.4 billion, total deposits of \$1.2 billion and stockholders’ equity of \$158.4 million.

Marin’s common stock trades on the NASDAQ Global Market (“Nasdaq”) under the symbol “BMRC.”

Additional information about Marin, including financial statements and management's discussion and analysis thereof, are included in its Form 10-K for the year ended December 31, 2012, in its Form 10-Qs for the quarters ended June 30, 2013 and March 31, 2013 and other reports filed by Marin with the Securities and Exchange Commission since December 31, 2012. These reports are incorporated by reference into this proxy statement – prospectus. If you want to obtain copies of these documents or other information concerning Marin, please see “Where You Can Find More Information” on page ___.

NorCal Community Bancorp
1701 Harbor Bay Parkway, Suite 100
Alameda, CA 94502
www.bankofalameda.com.

NorCal is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. NorCal was incorporated under the laws of the State of California in 2002 for the principal purpose of engaging in activities permitted for a bank holding company. As a bank holding company, NorCal is authorized to engage in the activities permitted under the Bank Holding Company Act of 1956, as amended, and the regulations thereunder. NorCal's principal office is located at 1701 Harbor Bay Parkway, Suite 100, Alameda, California 94502 and its telephone number is (510) 748-8450.

NorCal owns 100% of the issued and outstanding shares of common stock (the only class of shares outstanding) of its banking subsidiary, Bank of Alameda.

Bank of Alameda was incorporated under the laws of the State of California on October 2, 1997, and with the approval of the DFI and the FDIC Bank of Alameda opened for business on March 23, 1998. Bank of Alameda operates four full service offices in Alameda County, including the head office located at 2130 Otis Drive, Alameda, CA 94501. In addition Bank of Alameda operates an Administrative Office located at 1701 Harbor Bay Parkway, Suite 100, Alameda CA 94502 and an Accounting Department Office located at 2125 Oak Grove Rd., Suite 124, Walnut Creek, CA 94598.

Bank of Alameda's deposits are insured by the FDIC up to applicable legal limits. Bank of Alameda's primary business is providing a wide array of financial products with an exemplary level of personal service to small and medium sized businesses, professionals and individuals preferring quality personal attention. Bank of Alameda's principal service area is Alameda and Contra Costa counties, and Bank of Alameda utilizes electronic banking systems and a courier service to provide personalized banking services throughout its service areas. Bank of Alameda accepts checking and savings deposits, offers secured and unsecured commercial and industrial loans, secured real estate loans, other installment and term loans and other customary banking services. Bank of Alameda is a California state chartered commercial bank.

The mission of Bank of Alameda is to provide customized financial services to Alameda and Contra Costa county businesses, professionals, and individuals who desire a high degree of personalized attention.

At June 30, 2013, NorCal had total assets of \$264 million, total deposits of \$228 million, total loans of \$178 million and total shareholders' equity of \$26 million.

The Merger (Page ___ and Appendix A)

The merger is governed by the merger agreement.

A copy of the merger agreement is attached as Appendix A at the back of this proxy statement – prospectus. You are encouraged to read this merger agreement, as it is the legal document that governs the merger.

Risk Factors (Page ___)

An investment in Marin’s common stock includes substantial risks. See the section entitled “Risk Factors” beginning on page [*] for a discussion of risks associated with the merger and an investment in Marin’s common stock. Other risk factors are discussed in Marin’s filings with the SEC which are incorporated herein by reference.

The Value You Will Receive for Your NorCal Common Stock (Page ___)

Subject to the allocation provisions of the merger agreement, you may elect to receive all cash, all Marin common stock or a portion of cash and Marin common stock for the NorCal shares you own. The values that you will receive in cash and in Marin common stock in exchange for your NorCal stock may not be the same.

CASH – If you receive cash, the amount you receive per share will be equal to the so-called “per share cash consideration” which is a fixed amount of \$3.01 per share.

MARIN COMMON STOCK – If you receive Marin common stock, the number of shares that you will receive will be equal to the number of your NorCal shares multiplied by the so-called “exchange ratio.” The initial exchange ratio is 0.07716. To the extent that the formula results in a fraction of a share, such fraction will not be issued but you will receive cash in lieu of such fractional interest.

Unlike the “per share cash consideration,” the exchange ratio may vary depending on Marin’s “average price.” “Average price” means, in general, the volume weighted average price of Marin’s common stock on Nasdaq for the fifteen trading days ending on the day which is the second trading day preceding the anticipated closing date of the merger, whether or not trades occurred on those days. Thus,

if Marin’s average price is between \$35.11 and \$42.91, the exchange ratio would be 0.07716;

if Marin’s average price is more than \$42.91 but not more than \$44.86, the exchange ratio would be equal to the quotient of \$3.31 divided by the Marin average price;

if Marin’s average price is more than \$44.86, the exchange ratio would be 0.07379 subject to the possibility of further adjustment as provided in the merger agreement;

if Marin’s average price is less than \$35.11 but not less than \$33.16, the exchange ratio would be equal to the quotient of \$2.71 divided by the Marin average price; or

if Marin’s average price is less than \$33.16, the exchange ratio would be 0.08172, subject to the possibility of further adjustment as provided in the merger agreement.

The following table sets forth historical per share market value for Marin common stock based on the last sale price and NorCal common stock based on the last bid prices and the equivalent market values for NorCal common stock on:

July 1, 2013, the last trading day before public announcement of the merger, and

{*}, 2013, the most recent date before the mailing of this proxy statement – prospectus.

	Historical Market Price		NorCal Equivalent Pro Forma Price Per Share
	Marin	NorCal	
July 1, 2013	\$40.51	\$2.66	\$3.13 ¹
_____, 2013	\$_____	\$_____	\$_____

(1) Assuming an “average price” between \$35.11 and \$42.91 and an exchange ratio of 0.07716.

Marin cannot assure you that actual stock prices for its common stock will be equal to or greater than the prices shown in the table at the time of the merger or at any time after the completion of the merger. After the merger, there will be no further trading or a public market for NorCal common stock.

You are urged to obtain current market quotations.

Dividends After the Merger

To date, NorCal has not paid cash dividends and has followed a strategy of retaining earnings to increase capital and provide additional basis for growth.

Marin follows a policy of paying quarterly cash dividends with payable dates historically during the second month of each calendar quarter. The record date for the dividend generally occurs around the first day of the second month of each quarter. Marin increased its quarterly dividend by \$0.01 per share in each of 2011 and 2012. Marin most recently declared a quarterly cash dividend of \$0.18 per share on July 18, 2013 with an August 1, 2013 record date and a payable date of August 9th. Because the merger will not likely be effective by the next anticipated record date in November, NorCal shareholders will not participate in such dividend. The merger is expected to be complete before the record date for Marin’s fourth quarter dividend (payable early in 2014); however, no assurance can be given regarding the time for the closing of the merger.

Marin expects to pay cash dividends at the same general level but may change that policy in the sole discretion of its board of directors based on business conditions, its financial condition and earnings or other factors.

Tax Effects of the Merger (Page __)

The merger will be treated as a “reorganization” within the meaning of section 368(a) of the Internal Revenue Code. Accordingly, the merger will generally be tax-free for U.S. federal income tax purposes to NorCal shareholders who receive only Marin shares in the merger. A NorCal shareholder who receives only cash in the merger will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the amount of cash received and the tax basis of the NorCal shares exchanged therefor, and such gain or loss will be capital gain or loss assuming that the NorCal shares are held by the shareholder as a capital asset. A NorCal shareholder who receives Marin shares and cash in

the merger will recognize gain (but not loss) for U.S. federal income tax purposes in an amount equal to the lesser of (1) the amount of cash received in the merger and (2) an amount equal to the excess, if any, of (a) the sum of the amount of cash plus the fair market value of the Marin shares received in the merger, over (b) the tax basis of the NorCal shares exchanged therefor. The gain recognized will be capital gain (assuming the NorCal shares are held by the shareholder as a capital asset) unless the receipt of cash by the NorCal shareholder has the effect of a dividend distribution, in which event the gain will be treated as ordinary dividend income (to the extent of the shareholder's ratable share of NorCal's accumulated earnings and profits at the time of the merger as calculated for U.S. federal income tax purposes). See "Material U.S. Federal Income Tax Consequences of the Merger."

The United States federal income tax consequences described above may not apply to all holders of NorCal common stock. Your tax consequences will depend on your individual situation. Accordingly, you are encouraged to consult your tax advisor about the tax consequences of the merger to you.

Differences in Rights as a Shareholder (Page __)

As a NorCal shareholder, your rights are currently governed by NorCal's articles of incorporation and bylaws. If you receive Marin common stock in exchange for your NorCal common stock, you will become a shareholder of Marin and your rights will be governed by its articles of incorporation and bylaws. You can review the provisions of Marin common stock and comparison in the rights of shareholders between the two companies starting on page [*].

NorCal Board of Directors Recommendation (Page __)

NorCal Shareholders. The NorCal board of directors has determined that the merger is fair to and in the best interest of NorCal and NorCal's shareholders. It has unanimously approved the merger agreement and recommends that NorCal shareholders vote "FOR" the merger agreement.

Factors considered by NorCal's Board. You should also refer to the background of the merger and to the factors and reasons that NorCal's board of directors considered in reaching its decision to approve the merger, as explained starting on page [*].

Financial Advisor Gives Opinion That Merger Is Fair (Page __ and Appendix B)

NorCal's financial advisor, Sandler O'Neill + Partners, L.P., ("Sandler"), has provided its opinion to NorCal's board of directors dated as of July 1, 2013 that subject to and based on the considerations referred to in its opinion, the merger is fair to the NorCal shareholders from a financial point of view. The full text of Sandler's opinion dated July 1, 2013 is attached as Appendix B to this proxy statement – prospectus. NorCal urges its shareholders to read that opinion in its entirety.

NorCal Shareholders Should Make a Timely Election (Page __)

NorCal shareholders may elect to receive Marin shares, cash or a combination in exchange for the NorCal shares they own as of a record date approximately 35 days before the closing date of the merger. The record date for making elections is different from the [*], 2013 record date for determining the NorCal shareholders that are entitled to vote at the annual meeting.

PLEASE RETAIN THIS PROXY STATEMENT – PROSPECTUS, SINCE IT WILL BE OF ASSISTANCE IN MAKING YOUR ELECTION.

If you do not make a timely election, you may not receive the form of consideration that you want. The merger agreement requires that one half of NorCal's common stock outstanding be exchanged for Marin common stock. If elections to receive Marin common stock are not made for exactly 50% of NorCal's common stock, an allocation procedure will be applied until the necessary level has been achieved. The first shares to which the allocation procedures will be applied will be those shares for which a timely and valid election has not been made. If, after allocating the undesignated shares, an additional allocation is necessary, a proration procedure will be applied.

Because the exchange ratio for Marin common stock may fluctuate and because of the allocation procedures, you will not know when you vote and when you make your election the value of the shares of Marin common stock which you will receive in the merger. The market value of Marin shares at the time of the merger could be higher or lower than the current market value.

Certain Shareholders Have Agreed to Vote in Favor of the Merger (Page __)

As of the record date for the meeting, the directors and executive officers of NorCal held voting power with respect to 20.1% of the outstanding shares of NorCal common stock. The directors and executive officers of NorCal have signed contracts agreeing to vote their shares in favor of the merger agreement.

The directors and executive officers entered into these agreements in order to induce Marin to enter into the merger agreement. The director and executive officers agreements could discourage other companies from trying to acquire NorCal.

Dissenters' Rights (Page __ and Appendix C)

Shareholders of NorCal will have dissenters' rights in the merger. If you follow certain procedures, you may choose to receive the fair market value of your shares in cash when the merger is completed. The procedures which you must follow to exercise your dissenters' rights are set forth in Chapter 13 of the California Corporations Code. A copy of such sections is attached as Appendix C.

Accounting Treatment (Page __)

It is anticipated that the merger will be accounted for as a business combination using the acquisition method of accounting for financial reporting purposes. Under this method of accounting, the assets and liabilities of the company acquired are recorded at their respective fair values as of the date of completion of the merger, and are added to those of the acquiring company. Financial statements of the acquiring company issued after the merger takes place reflect these values, but are not restated retroactively to reflect the historical financial position or results of operations of the company that was acquired.

Benefits to Certain Officers and Directors in the Merger (Page __)

When considering the recommendation of the NorCal board of directors, you should be aware that some NorCal directors and officers have interests in the merger that differ from the interests of other NorCal shareholders. These interests include:

Chairman James B. Davis, President Stephen G. Andrews, Chief Financial Officer Jeanette E. Reynolds, and Chief Lending Officer P. Troy Williams will, pursuant to certain contractual provisions with NorCal and Bank of Alameda, receive change in

control payments of \$225,334, \$480,607, \$189,779, and \$213,917, respectively, immediately prior to the closing of the merger;

• certain officers and directors have stock options for which they will receive the economic value based on the merger price;

• Director Kevin Kennedy will be added to the board of directors of Marin at the effective time of the merger;

• directors and officers have continuing indemnification protections and some continuing insurance protection; and

• President Stephen G. Andrews has entered into a letter agreement with Bank of Marin which, among other things, provides him a guaranteed salary of \$19,378 per month for six months following the merger.

The NorCal board of directors was aware of these interests and considered them before approving the merger agreement.

Things NorCal and Marin Must Do for the Merger to Occur (Page __)

Completion of the merger is subject to various conditions, including:

• approval of the merger agreement by the NorCal shareholders;

• receipt of all governmental and other consents and approvals that are necessary to permit completion of the merger; and

• other customary conditions.

Certain of these customary conditions to the merger may be waived by Marin or NorCal, as applicable.

Regulatory Approvals Needed (Page __)

The merger cannot be completed unless it is approved by the DFI and the FDIC and, if necessary, the FRB. Requests for an exemption from the FRB and applications with the DFI and FDIC have been filed.

Although there is no apparent reason why regulatory approvals cannot be obtained in a timely manner, there can be no certainty as to when or if they will be obtained.

When the Merger Will Occur (Page __)

The merger will occur shortly after all of the conditions to its completion have been satisfied. It is currently anticipated that it will close during the fourth quarter of 2013, but no assurance can be given regarding the timing of the closing for the merger.

Termination of the Merger Agreement (Page __)

The merger agreement may be terminated prior to the effective time of the merger for a variety of reasons, including that:

either party may terminate the merger agreement if all significant conditions are not met by March 31, 2014,

if the other party breaches the merger agreement,

by Marin, if its “average price” increases to more than \$46.81 per share and such increase is not “proportionate relative to the index”, as defined in the merger agreement. However, if Marin does elect to terminate the merger agreement because of such increase, NorCal may render such election null and void, and thereby reinstate the merger agreement, by agreeing to fix the exchange ratio at a number derived by dividing \$3.45 by Marin’s average price. Such right of termination shall also not apply if Marin publicly announces that it has entered into a definitive agreement to be acquired by third party,

by NorCal, subject to certain conditions, in the event that it enters into a “superior” acquisition proposal with a third party, or

by NorCal, if Marin’s “average price” decreases to less than \$33.16 per share and such decrease is not “proportionate relative to the index”, as defined in the merger agreement. However, if NorCal does elect to terminate the merger agreement because of such decrease, Marin may render such election null and void, and thereby reinstate the merger agreement, by agreeing to fix the exchange ratio at a number derived by dividing \$2.71 by Marin’s average price.

Termination Fees Between NorCal and Marin (Page __)

NorCal is obligated to make a \$970,000 cash payment to Marin in the event the merger agreement is terminated for certain reasons.

SELECTED HISTORICAL AND COMPARATIVE PER SHARE DATA

The following information is provided to aid you in your analysis of the financial effects of the merger. The historical selected financial data in the following tables shows financial results actually achieved by NorCal and by Marin for the periods presented. These are historical figures.

NorCal Historical Selected Financial Data

The following selected financial data with respect to NorCal for the years ended December 31, 2012, 2011, 2010, 2009 and 2008 have been derived from its audited financial statements. The selected financial data for the six months ended June 30, 2013 and 2012 comes from the unaudited financial statements of NorCal. Such interim financial statements include all adjustments that are, in the opinion of management, necessary to present fairly NorCal's financial information for the interim periods presented. The operating results for the six months ended June 30, 2013, are not necessarily indicative of the operating results that may be expected for the year ending December 31, 2013.

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(Dollars in thousands, except share and per share data)	Unaudited Six Months Ended June 30,		Year ended December 31,					
	2013	2012	2012	2011	2010	2009	2008	
Income statement data:								
Interest income	\$4,930	\$5,276	\$10,371	\$10,512	\$11,215	\$14,485	\$18,308	
Interest expense	253	397	753	906	1,271	2,354	4,707	
Net interest income	4,677	4,879	9,618	9,606	9,944	12,131	13,601	
Provision for loan and lease losses	-	2,650	2,650	900	5,845	7,350	7,822	
Non-interest income	1,349	854	2,062	1,032	855	891	857	
Non-interest expense	4,809	4,935	10,015	9,636	10,996	10,276	11,009	
Income (loss) before income taxes	1,217	(1,852)	(985)	102	(6,042)	(4,604)	(4,373)	
Provision for (benefit from) income taxes	(5,505)	2	2	90	(84)	425	(1,969)	
Net income (loss) available to common stockholders	6,722	(1,854)	(987)	12	(5,957)	(5,029)	(2,404)	
Common share and per common share data:								
Earnings (loss) per diluted share	\$0.63	\$(0.17)	\$(0.09)	\$ -	\$(1.43)	\$(1.60)	\$(0.88)	
Book value per common share	2.45	1.80	1.89	1.97	1.94	6.09	7.59	
Weighted average diluted shares outstanding	10,655,739	10,651,972	10,655,861	10,623,048	4,166,327	3,133,615	3,037,949	
Balance sheet data at period end:								
Total assets	\$264,160	\$258,300	\$265,733	\$248,129	\$255,676	\$255,676	\$262,279	
Gross loans and leases	178,026	165,255	167,825	165,843	163,017	203,022	240,199	
Allowance for loan and lease losses	3,824	4,347	3,549	4,807	5,820	5,393	6,833	
Investment securities	58,670	68,887	43,559	48,974	36,374	16,779	14,430	
Deposits	228,398	239,158	235,973	217,783	225,960	220,014	218,074	
Total stockholders' equity	26,062	19,142	20,073	20,949	20,599	19,314	24,090	
Loan to deposit ratio	77.95	%72.12	%71.12	%76.15	%72.14	%92.28	%110.15	%
Average balance sheet data:								
Total average assets	\$262,687	\$260,035	\$265,207	\$252,581	\$253,631	\$264,204	\$277,661	
Total average common stockholders' equity	23,407	21,347	20,489	20,685	17,796	21,764	27,367	
Average common equity to average assets	8.91	%8.21	%7.73	%8.19	%7.02	%8.24	%9.86	%

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Performance ratios:

Return on average assets	5.16	%-1.43	% -0.37	%0.00	%-2.35	%-1.90	%-0.87	%
Return on average common stockholders' equity	57.91	%-17.46	% -4.82	%0.06	%-33.48	%-23.11	%-8.79	%
Net interest margin	3.74	%3.84	% 3.70	%3.88	%4.04	%4.64	%5.07	%
Efficiency ratio	79.81	%86.08	% 85.75	%90.58	%101.82	%78.68	%76.15	%

Asset quality ratios:

Net (recoveries) charge-offs to average loans	-0.33	%3.70	% 2.35	%1.19	%2.98	%3.82	%1.63	%
Nonperforming loans to total loans	1.35	%4.41	% 1.88	%6.37	%4.45	%9.06	%5.65	%
Nonperforming assets to total assets	1.09	%3.45	% 1.36	%5.00	%5.30	%7.65	%5.58	%

Allowance for loan losses as a percentage of:

Total loans	2.15	%2.63	% 2.11	%2.90	%3.57	%2.66	%2.84	%
Nonperforming loans	159	%60	% 136	%47	%80	%29	%29	%

Capital ratios at period end:

Tier 1 leverage	11.35	%8.90	% 8.90	%10.31	%10.56	%9.77	%9.77	%
Tier 1 risk-based capital	15.42	%13.25	% 13.25	%14.74	%15.94	%12.48	%12.48	%
Total risk-based capital	17.45	%16.31	% 16.31	%17.58	%17.88	%14.22	%14.22	%

Marin Historical Selected Financial Data

The following selected consolidated financial data with respect to Marin for the years ended December 31, 2012, 2011, 2010, 2009 and 2008 have been derived from its audited financial statements. The selected consolidated financial data for the six months ended June 30, 2013 and 2012 comes from the unaudited financial statements of Marin. Such interim financial statements include all adjustments that are, in the opinion of management, necessary to present fairly Marin's financial information for the interim periods presented. The operating results for the six months ended June 30, 2013, are not necessarily indicative of the operating results that may be expected for the year ending December 31, 2013.

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(Dollars in thousands, except per share amounts)	Unaudited Six Months Ended June 30,		Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Income statement data:							
Interest income	\$29,960	\$33,870	\$65,766	\$69,114	\$61,357	\$59,734	\$59,176
Interest expense	859	1,388	2,576	5,295	6,448	7,167	10,817
Net interest income	29,101	32,482	63,190	63,819	54,909	52,567	48,359
Provision for loan losses	870	100	2,900	7,050	5,350	5,510	5,010
Non-interest income	4,050	3,495	7,112	6,269	5,521	5,182	5,356
Non-interest expense	20,114	19,520	38,694	38,283	33,357	31,696	28,677
Net income available to common stockholders	7,921	9,891	17,817	15,564	13,552	11,466	12,037
Common share and per common share data:							
Earnings – diluted per share	\$1.44	\$1.82	\$3.28	\$2.89	\$2.55	\$2.19	\$2.31
Book value per common share	29.10	26.92	28.17	25.40	23.05	20.85	19.14
Dividends on common stock	1,950	1,818	3,751	3,457	3,205	2,960	2,882
Weighted-average diluted shares outstanding (thousands)	5,498	5,422	5,438	5,384	5,314	5,242	5,217
End of period shares outstanding	5,442,628	5,362,222	5,389,210	5,336,927	5,290,082	5,229,529	5,146,798
Balance sheet data at period end:							
Total assets	\$1,428,518	\$1,407,000	\$1,434,749	\$1,393,263	\$1,208,150	\$1,121,672	\$1,049,557
Gross loans	1,091,482	1,025,194	1,073,952	1,031,154	941,400	917,748	890,544
Allowance for loan losses	14,357	13,435	13,661	14,639	12,392	10,618	9,950

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Investment securities	261,401	244,937	293,414	194,842	146,653	128,214	103,510	
Deposits	1,224,437	1,230,717	1,253,289	1,202,972	1,015,739	944,061	852,290	
Total borrowings	32,200	20,000	15,000	40,000	60,000	60,000	61,800	
Total stockholders' equity	158,359	144,326	151,792	135,551	121,920	109,051	125,546	
Loan to deposit ratio	89.1	% 83.3	% 85.7	% 85.7	% 92.7	% 97.2	% 104.5	%
Average balance sheet data:								
Total average assets	\$ 1,422,909	\$ 1,418,855	\$ 1,434,461	\$ 1,337,139	\$ 1,186,173	\$ 1,100,033	\$ 948,521	
Total average common stockholders' equity	156,759	140,103	144,111	129,538	116,094	111,359	95,441	
Average common equity to average assets	11.02	% 9.87	% 10.05	% 9.69	% 9.79	% 10.12	% 10.06	%
Performance ratios:								
Return on average assets*	1.12	% 1.40	% 1.24	% 1.16	% 1.14	% 1.16	% 1.28	%
Return on average common stockholders' equity*	10.19	% 14.20	% 12.36	% 12.01	% 11.67	% 10.94	% 12.88	%
Net interest margin – Full Tax-Equivalent*	4.39	% 4.96	% 4.74	% 5.13	% 4.95	% 5.17	% 5.41	%
Efficiency ratio	60.67	% 54.26	% 55.04	% 54.62	% 55.20	% 54.89	% 53.39	%
Common stock dividend payout ratio	24.63	% 18.28	% 21.06	% 22.11	% 23.55	% 25.79	% 23.93	%
Asset quality ratios:								
Net charge-offs to average loans*	0.03	% 0.27	% 0.38	% 0.49	% 0.38	% 0.53	% 0.33	%
Non-accrual loans to total loans	1.69	% 1.40	% 1.64	% 1.16	% 1.37	% 1.26	% 0.75	%
Nonperforming assets to total assets	1.31	% 1.02	% 1.23	% 0.86	% 1.08	% 1.04	% 0.64	%
Allowance for loan losses as a percentage of:								

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Total loans	1.32	% 1.31	% 1.27	% 1.42	% 1.32	% 1.16	% 1.12	%
Non-accrual loans	77.7	% 93.6	% 77.4	% 122.3	% 95.9	% 91.8	% 148.7	%

Capital ratios at
period end:

Tier 1 leverage	11.14	% 10.02	% 10.30	% 9.53	% 9.91	% 9.43	% 12.40	%
Tier 1 risk-based capital	12.83	% 12.31	% 12.52	% 11.45	% 11.59	% 10.73	% 12.53	%
Total risk-based capital	14.05	% 13.94	% 13.71	% 13.13	% 13.34	% 12.33	% 14.08	%

*Amounts for
interim periods
are annualized
based on actual
number of days in
the periods.

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Unaudited Comparative Per Share Data

Presented below for Marin and NorCal is historical, unaudited pro forma combined and pro forma equivalent per share financial data as of and for the year ended December 31, 2012 and as of and for the six months ended June 30, 2013. The information presented below should be read together with the historical consolidated financial statements of Marin and NorCal, including the related notes, which in the case of Marin are filed with the SEC and incorporated by reference into this proxy statement – prospectus and which in the case of NorCal are included in this proxy statement - prospectus.

The unaudited pro forma and pro forma per equivalent share information gives effect to the merger as if the merger had been effective on December 31, 2012 or June 30, 2013 in the case of the book value data, and as if the merger had been effective as of January 1, 2013 in the case of the earnings per share and the cash dividends data. The unaudited pro forma data combines the historical results of NorCal into Marin's consolidated statement of income. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on January 1, 2013.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Marin's management believes are reasonable, including the issuance of 410,566 shares of Marin common stock in the merger and a price of \$40.72. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may actually result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions, among other factors, nor the impact of possible business model changes. As a result, unaudited pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of NorCal will be reflected in the consolidated financial statements of Marin on a prospective basis.

	Marin Historical	NorCal Historical	Pro Forma Combined	Per Equivalent NorCal Share ⁽¹⁾
For the year ended December 31, 2012				
Basic earnings per share	\$3.34	(\$0.09)	\$2.81	\$0.22
Diluted earnings per share	\$3.28	(\$0.09)	\$2.76	\$0.21
Cash Dividends per share declared (2)	\$0.70	\$0.00	\$0.70	\$0.05
Book value per share as of December 31, 2012	\$28.17	\$1.89	\$28.75	\$2.22
For the six months ended June 30, 2013				
Basic earnings per share	\$1.47	\$0.63	\$2.39	\$0.18
Diluted earnings per share	\$1.44	\$0.63	\$2.35	\$0.18
Cash Dividends per share declared (2)	\$0.36	\$0.00	\$0.36	\$0.03
Book value per share as of June 30, 2013	\$29.10	\$2.45	\$29.61	\$2.28

(1) Reflects NorCal shares at the exchange ratio of 0.07716

(2) Pro forma combined cash dividends declared are based only upon Marin's historical amounts

MARKET PRICE AND DIVIDEND INFORMATION

The following table sets forth the high and low closing sales prices for shares of NorCal's common stock for the periods indicated. NorCal does not pay cash dividends.

		High	Low
2011	First Quarter	\$2.73	\$1.70
	Second Quarter	\$2.75	\$1.50
	Third Quarter	\$2.75	\$1.50
	Fourth Quarter	\$2.00	\$1.01
2012	First Quarter	\$2.00	\$1.25
	Second Quarter	\$1.85	\$1.58
	Third Quarter	\$1.99	\$1.35
	Fourth Quarter	\$1.89	\$1.51
2013	First Quarter	\$2.25	\$1.61
	Second Quarter	\$2.99	\$2.16
	Third Quarter through August [*]		

The following table sets forth the high and low intra-day sales prices for shares of Marin's common stock and cash dividends paid per share for the periods indicated.

		High	Low	Cash Dividends Per Share
2011	First Quarter	\$37.72	\$31.80	\$0.16
	Second Quarter	\$39.39	\$34.04	\$0.16
	Third Quarter	\$39.85	\$32.34	\$0.16
	Fourth Quarter	\$38.63	\$32.10	\$0.17
2012	First Quarter	\$40.44	\$34.56	\$0.17
	Second Quarter	\$39.38	\$35.23	\$0.17
	Third Quarter	\$44.02	\$35.72	\$0.18
	Fourth Quarter	\$44.09	\$34.50	\$0.18
2013	First Quarter	\$41.45	\$36.89	\$0.18
	Second Quarter	\$40.75	\$37.75	\$0.18
	Third Quarter through August [*]			

FORWARD LOOKING STATEMENTS

NorCal, Bank of Alameda, Marin, and Bank of Marin make forward-looking statements in this proxy statement – prospectus that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results after the merger. These forward-looking statements are based on the beliefs and assumptions of the management of each of NorCal, Bank of Alameda, Marin, and Bank of Marin, as well as on information currently available to them. While NorCal, Bank of Alameda, Marin, and Bank of Marin believe that the expectations reflected in these forward-looking statements are reasonable, and have based these expectations on their beliefs as well as assumptions they have made, those expectations may ultimately prove to be incorrect.

When words such as “anticipates,” “believes,” “estimates,” “seeks,” “expects,” “plans,” “intends,” “forecasts,” “predicts” or similar expressions are used, forward-looking statements are being made.

Many possible events or factors could affect Marin’s future results and performance after the merger. The events or factors that could cause results or performance to materially differ from those expressed in the forward-looking statements include:

- lower than expected consolidated revenues for Marin;
- higher than expected merger related costs;
- losses of deposit and loan customers resulting from the merger;
- loss of key personnel;
- greater than expected operating costs and/or loan losses;
- significant increases in competition;
- unexpected difficulties or delays in obtaining regulatory approvals for the merger;
- the inability to achieve expected cost savings from the merger, or the inability to achieve those savings as soon as expected;
- adverse changes in interest rates and economic or business conditions;
- adverse legislative or regulatory changes affecting Marin’s and NorCal’s businesses;
- unexpected costs and difficulties in adapting to technological changes and integrating systems;
- adverse changes in the securities markets;
- the effects of terrorist attacks in the U.S. or abroad or other events affecting world peace or international commerce;
- the ability to fully realize the value of any goodwill or other intangible assets recorded in the merger; and
- the extent to which Marin can take advantage of NorCal’s deferred tax asset in future periods following the merger.

Due to the uncertainties surrounding these events or factors, you should not unduly rely on the forward-looking statements made in this proxy statement – prospectus. Actual results may materially differ from those currently expected or anticipated.

Forward-looking statements are not guarantees of performance. Instead, they involve risks, uncertainties and assumptions. Many of the factors described under the section of this proxy statement – prospectus entitled “Risk Factors” and described in the “Risk Factors” section of Marin’s Form 10-K for the year ended December 31, 2012, which is incorporated by reference, will determine the results and stock prices for Marin, and are beyond Marin’s or NorCal’s ability to control or predict. As a result, NorCal, Bank of Alameda, Marin, and Bank of Marin claim the protection of the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995 for the forward-looking statements contained and incorporated by reference in this proxy statement – prospectus.

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement – prospectus, including the matters addressed under the section “Forward Looking Statements,” you should carefully consider the following risk factors in deciding how to vote for the merger proposal presented in this proxy statement – prospectus. In addition, you should read and consider the risks associated with each of the businesses of Marin and NorCal because these risks will relate to the combined company. Descriptions of some of these risks can be found in the Annual Report on Form 10-K filed by Marin for the year ended December 31, 2012, as updated by other reports, which are filed with the SEC and incorporated by reference into this proxy statement – prospectus. You should also consider the other information in this proxy statement – prospectus and the other documents incorporated by reference into this proxy statement – prospectus. See “Where You Can Find More Information.”

Because the market price of Marin common stock will fluctuate, NorCal shareholders who receive any Marin stock in the merger cannot be certain of the market value of the merger consideration they will receive.

The merger agreement assumes that the approximately [*] shares of Marin common stock, which will constitute the equity portion of the merger consideration, assuming [*] NorCal common shares outstanding and an “average price” for Marin common stock between \$33.16 and \$46.81, have a market value equal to approximately \$[*], or \$[*] per share for a NorCal shareholder who elects and receives only Marin stock in the merger. Since the market value of Marin common stock fluctuates, the value of the equity portion of the merger consideration may be more or less than approximately \$[*]. The value of the merger consideration may change depending on various factors discussed in the section of the attached proxy statement – prospectus entitled “Proposal I – The Merger – Exchange Ratio.” Assuming an “average price” for Marin common stock between \$33.16 and \$46.81, you will receive either \$3.01 in cash, 0.07716 newly issued shares of Marin common stock, or a combination thereof in exchange for the shares of NorCal common stock you own. As a result, each increase, or decrease, of \$1.00 in the market price of Marin stock would result in a corresponding change of approximately \$0.08 for each share of NorCal stock surrendered solely in exchange for Marin stock in the merger. Stock price changes may result from a variety of factors that are beyond the control of Marin and NorCal, including but not limited to general market and economic conditions, changes in their respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the NorCal annual meeting you will not know the precise market value of the consideration you will receive at the effective time of the merger.

As a result of these factors, the value of the merger consideration may change prior to the time payments to NorCal shareholders are made.

Please read the sections entitled “Proposal I – The Merger – Exchange Ratio.”

The market price of Marin common stock after the merger may be affected by factors different from those affecting the shares of NorCal or Marin currently.

Upon completion of the merger, holders of NorCal common stock electing to receive shares of Marin (or who are allocated shares of Marin) common stock will become holders of Marin common stock. Marin’s business differs from that of NorCal, and, accordingly, the results of operations of the combined company and the market price of Marin common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Marin and NorCal.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated.

Before the merger may be completed, Marin and NorCal must obtain various approvals or consents, including from the FDIC and the DFI. In deciding whether to grant these approvals, the relevant governmental authorities will make a determination of whether, among other things, the merger is in the public interest. These regulatory entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Although the parties do not currently expect that any material conditions or changes would be imposed, there can be no assurance that they will not be. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of the combined company following the merger, any of which might have a material adverse effect on the combined company following the merger. In addition, Marin or NorCal may elect not to consummate the merger if: (A) any required regulatory approval has been denied by the relevant regulatory authority and such denial has become final and nonappealable, (B) any such approval includes any condition, restriction or requirement that would (i) have a material adverse effect on NorCal's business or, (ii) would restrict the business of Marin after the closing of the merger such that it would have a material adverse effect on Marin, or (iii) require the sale by NorCal or Marin of any material portion of their assets, or (C) if a regulatory authority has issued a final, nonappealable injunction permanently enjoining or otherwise prohibiting the completion of the merger. See "Proposal I – The Merger—Regulatory Approvals Required."

Marin may be unable to integrate operations successfully or to achieve expected cost savings.

The earnings, financial condition and prospects of Marin after the merger will depend in part on Marin's ability to integrate the operations and management of NorCal and to continue to implement its own business plan. There is no assurance that Marin will be able to do so. Among the issues that Marin could face are:

- unexpected problems with operations, personnel, technology or credit;
- loss of customers and employees of NorCal;
- difficulty in working with NorCal's employees and customers;
- the assimilation of NorCal's operations, site and personnel; and
- instituting and maintaining uniform standards, controls, procedures and policies.

Further, although the boards of directors of both parties anticipate cost savings as a result of the merger, Marin may not be fully able to realize those savings. Any cost savings that are realized may be offset by losses in revenues or other charges to earnings.

Marin expects to incur significant costs associated with the merger.

Marin estimates that it has incurred or will incur significant transaction costs associated with the merger, a portion of which will be incurred whether or not the merger closes. Marin believes the combined company may incur charges to operations, which are not currently reasonably estimable, in the quarter in which the merger is completed or subsequent quarters, to reflect costs associated with integrating the two banks. There is no assurance that the combined company will not incur additional material charges in subsequent quarters to reflect additional costs associated with the merger, including charges associated with the impairment of any goodwill booked in connection with the merger.

The failure of the loan portfolios to perform as expected may unfavorably impact Marin.

Marin's performance and prospects after the merger will be dependent to a significant extent on the performance of the combined loan portfolios of Bank of Marin and Bank of Alameda, and ultimately on the financial condition of their

respective borrowers and other customers. The existing loan portfolios of the two banks differ to some extent in the types of borrowers, industries, geographic location of the collateral and credits represented. In

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addition, there are differences in the documentation, classifications, credit ratings and management of the portfolios. As a result, Marin's overall loan portfolio after the merger may have a different risk profile than the loan portfolio of either Bank of Marin or Bank of Alameda before the merger. The performance of the two loan portfolios will be adversely affected if any of such factors is worse than currently anticipated. In addition, to the extent that present customers are not retained by NorCal and Bank of Alameda, or additional expenses are incurred in retaining them, there could be adverse effects on future consolidated results of operations of Marin following the merger. Realization of improvement in profitability is dependent, in part, on the extent to which the revenues of NorCal are maintained and enhanced.

The fairness opinion obtained by NorCal from its financial advisor will not reflect changes in circumstances between signing the merger agreement and the completion of the merger.

NorCal has not obtained an updated fairness opinion as of the date of this proxy statement – prospectus from Sandler. Changes in the operations and prospects of Bank of Alameda and NorCal and / or Bank of Marin and Marin, general market and economic conditions and other factors that may be beyond the control of NorCal and Marin, and on which the fairness opinion was based, may alter the value of NorCal or Marin or the prices of shares of NorCal common stock or Marin common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because NorCal does not anticipate asking its financial advisor to update its opinion, the July 1, 2013 opinion does not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. The opinion is attached as Appendix B to this proxy statement – prospectus. For a description of the opinion that NorCal received from its financial advisor, see “Proposal I – The Merger—Opinion of NorCal’s Financial Advisor” For a description of the other factors considered by NorCal’s board of directors in determining to approve the merger, see “Proposal I – The Merger – Recommendation of, and Factors Considered by, NorCal’s Board of Directors”

NorCal shareholders may not receive the form of merger consideration that they elect.

The merger agreement is designed to ensure that half of the outstanding shares of NorCal are exchanged for shares of Marin in accordance with the exchange ratio and that the other half of the outstanding shares of NorCal receive cash in the amount of \$3.01. NorCal shareholders may elect to receive cash, Marin common stock or a combination as their merger consideration, but given that half of the outstanding NorCal common shares must be exchanged for Marin common stock and the other half for cash, their election may not be fully honored. See “Proposal I – The Merger – Election Procedure.”

If an election is not fully honored, a NorCal shareholder will incur tax consequences that differ from those that would have resulted had he or she received the form of consideration elected. See “Proposal I – The Merger – Material Federal Income Tax Consequences.”

Some of the directors and executive officers of NorCal may have interests and arrangements that may have influenced their decisions to support or recommend that you approve the merger agreement.

The interests of some of the directors and executive officers of NorCal may be different from those of NorCal shareholders, and directors and officers of NorCal may be participants in arrangements that are different from, or in addition to, those of NorCal shareholders. These interests are described in more detail in the section entitled “Proposal I – The Merger—Interests of Certain Persons.”

Termination of the merger agreement could negatively impact NorCal.

If the merger agreement is terminated, there may be various consequences. For example, NorCal’s businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. If the merger agreement is terminated and NorCal’s board of directors seeks another merger or business combination, NorCal shareholders cannot be certain that NorCal will be able to find a party willing to pay the equivalent or greater consideration than that which Marin has agreed to pay in the merger. In addition, if the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by NorCal’s board of directors, NorCal may be required to pay Marin a termination fee of \$970,000.

NorCal will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on NorCal. These uncertainties may impair NorCal’s ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with NorCal to seek to change existing business relationships with NorCal.

Retention of certain employees by NorCal may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with Marin. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with NorCal, or after the merger with Marin, the combined bank’s business following the merger could be harmed. Subject to certain exceptions, NorCal has agreed to operate its business in the ordinary course prior to closing. See “Proposal I – The Merger Agreement – Conduct of Business of NorCal Pending the Merger” for a description of the restrictive covenants applicable to NorCal.

NorCal has a significant deferred tax asset that may not be realized in the future.

NorCal has federal net operating losses of \$9.6 million and California net operating losses of the \$22.6 million as of December 31, 2012. The ultimate realization of a deferred tax asset is dependent upon the generation of future taxable income during the periods prior to the expiration of the related net operating losses and the limitations of Section 382 of the Internal Revenue Code. If our estimates and assumptions about future taxable income are not accurate, the value of our deferred tax asset may not be recoverable and may result in a valuation allowance that would impact our earnings.

The unaudited comparative per share data for Marin and NorCal included in this proxy statement – prospectus are preliminary, and Marin’s actual results after the completion of the merger may differ materially from the unaudited comparative per share data included in this proxy statement – prospectus.

The unaudited comparative per share data for both Marin and NorCal in this proxy statement – prospectus are presented for illustrative purposes only and are not necessarily indicative of what Marin’s actual results would have been had the merger been completed on the dates indicated. For more information, see “Summary - Unaudited Comparative Per Share.”

THE ANNUAL MEETING

Proxy Statement – Prospectus

This proxy statement – prospectus is being furnished to you in connection with the solicitation of proxies by the NorCal board of directors in connection with the annual meeting of shareholders.

This proxy statement – prospectus is first being furnished to the NorCal shareholders on or about [*], 2013.

Date, Time and Place of the Annual Meeting

The annual meeting is scheduled to be held at [*], California, on [*], [*], 2013, at 9:00 a.m., and at any adjournments or postponements thereof (the “meeting”).

Record Date; Solicitation of Proxies

The board of directors has selected the close of business on [*], 2013 as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting. At that date, there were [*] outstanding shares of NorCal common stock entitled to vote at the annual meeting.

A form of proxy for voting your shares at the meeting is enclosed. The proxy confers discretionary authority to vote the shares represented thereby on any matter that was not known at the time this proxy statement – prospectus was prepared which may properly be presented for action at the meeting. This may include action with respect to procedural matters pertaining to the conduct of the meeting and election of a substitute in place of any nominee who is unable to serve or for good cause will not serve.

The enclosed proxy is being solicited by NorCal’s board of directors and the cost of the solicitation is being borne by NorCal. The principal solicitation of proxies is being made by mail, although additional solicitation may be made by telephone, e-mail, facsimile or personal visits by directors, officers and employees of NorCal. The total expense of this solicitation will be borne by NorCal and will include reimbursement paid to brokerage firms and others for their expenses in forwarding solicitation materials and such expenses as may be paid to any soliciting firm engaged by NorCal.

Vote Required

Approval of the merger agreement requires approval of a majority of the outstanding shares of NorCal. In the election of directors, the nine candidates receiving the highest number of votes will be elected. Broker non-votes (i.e., shares held by brokers or nominees which are represented at the meeting but with respect to which the broker or nominee is not authorized to vote on a particular proposal) and abstentions will not be counted, except for quorum purposes, and will have no effect on the election of directors but will have the effect of a vote against the merger.

Revocability of Proxies

Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is voted by filing with the Secretary of NorCal an instrument revoking said proxy or a duly executed proxy bearing a later date. In addition, the powers of the proxyholders will be revoked if the person executing the proxy is present at the meeting and advises the Chairman of his or her election to vote in person. Unless revoked, all shares represented by a properly executed proxy received prior to the meeting will be voted as specified by each shareholder in the proxy. If no specifications are given by a shareholder, then the proxy will be voted in favor of the (i) merger agreement, (ii)

election of the directors nominated by management, and (iii) in favor of such other business as may properly come before the meeting.

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Matters to be Considered at the Meeting

The meeting is being held for the following purposes:

1. To approve the merger agreement in the form attached as Appendix A to the proxy statement – prospectus.
2. To elect the following nominees to serve as directors of NorCal until the next Annual Meeting of Shareholders and until their successors shall be elected and qualified (if the merger has not been completed by then), or until completion of the merger:

Stephen G. Andrews
Eric C. Cross
James B. Davis
Gregory R. Gersack
Michael G. Gorman

Kenneth M. Karmin
Kevin Kennedy
James L. McKenna
Joel Vuylsteke

3. To consider and transact such other business as may properly be brought before the meeting.

PROPOSAL I – THE MERGER

General

The merger is governed by the merger agreement. Pursuant to the merger agreement, NorCal will be merged with and into Marin and immediately thereafter Bank of Alameda will be merged with and into Bank of Marin. The term “merger” refers to both these transactions. Shareholders of NorCal will have the election to receive shares of common stock of Marin, cash or a combination in exchange for their shares of NorCal, subject to proration, as provided in the merger agreement.

This section of the proxy statement – prospectus describes certain aspects of the merger, including the background of the merger and NorCal’s reasons for the merger.

Background of the Merger

NorCal’s board of directors has from time to time explored and assessed various strategic options potentially available to NorCal. These strategic discussions have focused on, among other things, the economic environment and its impact on financial institutions generally and NorCal in particular. In addition, the discussions have addressed the ongoing consolidation in the financial services industry.

Marin’s management and board of directors also regularly review the financial services industry environment, including the trend towards consolidation in the industry, and periodically discuss ways in which to enhance Marin’s competitive position, including the possible acquisition of another financial institution.

In August, 2012, at a special meeting of NorCal’s board of directors, the board created a sub-committee for this purpose. Members included Jim Davis, Steve Andrews, Greg Gersack (who later resigned from the sub-committee), Ken Karmin and Kevin Kennedy. In September, 2012 the board discussed directing the sub-committee, now formally the merger and acquisition committee, to meet with investment banking firms, including Sandler and two other firms.

In October 2012, the merger and acquisition committee of NorCal met with several investment banking firms to discuss the environment for bank mergers and, specifically, the potential opportunities for NorCal if it were to seek a potential acquiror. In early November 2012, NorCal elected to engage Sandler to assist in the exploration and consideration of potential strategic alternatives available to NorCal. On November 14, 2012, the NorCal board of directors and representatives of Sandler discussed holding a process to explore indications of interest by third parties. At that meeting, the NorCal board of directors and representatives of Sandler discussed the parties Sandler and NorCal expected would be likely to be interested in a strategic transaction with NorCal, including publicly-traded banks and privately-held banks. On the following day, the committee appointed Jim Davis as its chair. In the course of this appointment, the committee considered Mr. Davis’s possible personal interests in having NorCal either be acquired or remain independent.

In late December 2012, Sandler began initiating contact with parties regarding their potential interest in a strategic transaction with NorCal. On December 20, 2012, Mr. Davis reported to the committee on the potential candidates identified by or to Sandler. Sandler initiated contact with all of the parties that NorCal, in consultation with Sandler, determined would be most likely to be interested in pursuing a strategic transaction with NorCal on terms that would be attractive to NorCal, and certain additional parties that had independently initiated contact with Sandler and/or NorCal to indicate their interest in pursuing a strategic

transaction with NorCal. A total of 19 companies were contacted. After being contacted, 12 of these companies executed confidentiality agreements under which these parties agreed to maintain the confidentiality of any evaluation material provided by NorCal.

In January and early February, NorCal provided evaluation material to those parties that had executed confidentiality agreements. In addition, NorCal's senior management team had in-person meetings with seven of these interested parties to discuss the financial standing and prospects of NorCal and the markets in which it did business. NorCal's senior management team met with the senior management team of Marin on February 6, 2013.

In mid-February, NorCal received four non-binding indications of interest from various interested parties including Marin. Those indications offered to acquire 100% of the common stock of NorCal for values ranging between \$2.00 and \$2.70 per share of NorCal common stock. Marin's initial indication of interest offered acquiring 100% of NorCal common stock for a range of values between \$2.46 and \$2.64 per share of NorCal common stock to be paid 50% in cash and 50% in Marin common stock.

NorCal's board of directors met on February 21, 2013 to discuss the initial indications. The board elected to allow Marin and Company A to perform financial, legal and on-site loan due diligence of NorCal. Following a verbal indication of interest received the following week from Company B, NorCal made the decision to allow Company B to also perform detailed due diligence on NorCal.

During March and early April, NorCal made confidential information available to Marin, Company A and Company B through an online data room.

On March 9 and 10, 2013, Company A performed onsite loan due diligence of NorCal's loan portfolio.

On March 14, 2013, NorCal's senior management team, together with representatives from Sandler, met with senior management of Marin as part of Marin's due diligence review of NorCal. On March 16 and 17, 2013, Marin performed onsite loan due diligence of NorCal's loan portfolio.

On March 17, 2013, NorCal's CFO, together with representatives from Sandler, met with representatives of Company A as part of Company A's due diligence review of NorCal.

On March 23, 2013, Company B performed onsite loan due diligence of NorCal's loan portfolio.

On April 3, 2013, NorCal's merger and acquisition committee, together with representatives from Sandler, had separate discussions with representatives of each of Marin, Company A and Company B.

On April 18, 2013, the NorCal board of directors met to review updated non-binding indications of interest from Marin, Company A and Company B. Marin's revised indication of interest offered to acquire 100% of NorCal common stock for a value of \$2.70 per share of NorCal common stock to be paid 50% in cash and 50% in Marin common stock. Company A offered to provide value of \$2.75 per share of NorCal common stock to be paid 50% in cash and 50% in Company A common stock. Company B offered to provide value of \$3.00 per share of NorCal common stock to be paid 100% in cash. After detailed discussion, the NorCal board of directors authorized Sandler to request improved indications from each of the interested parties.

Sandler contacted Companies A and B, both of which reconfirmed the terms of their most recent proposals. On April 25, 2013, Marin indicated that it was prepared to improve its non-binding indication of interest to a value of \$3.03 per share of NorCal common stock to be paid 50% in cash and 50% in Marin common stock. On April 30, 2013, Marin provided a written indication of interest which confirmed the indicated value of \$3.03 per share of NorCal common

stock.

On April 30, 2013, the NorCal board of directors met to review Marin's improved indication of interest and discuss all of the indications of interest that had been received. After detailed discussion, the NorCal board of directors voted to enter into an agreement to negotiate exclusively with Marin for a period

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of time so that NorCal could pursue the transaction contemplated by Marin's indication of interest for a value of \$3.03 per share of NorCal common stock.

On May 16, 2013, NorCal and Marin executed an agreement which provided exclusive negotiation rights until June 30, 2013 to Marin for a potential strategic transaction with NorCal.

Marin provided a draft definitive merger agreement and ancillary legal agreements to NorCal on May 23, 2013.

In late May and June 2013, NorCal, Marin and their respective legal counsel and financial advisors performed additional due diligence and negotiated the final terms of the definitive merger agreement and ancillary legal agreements. In the course of negotiations, NorCal's board agreed to a reduction in the merger consideration to \$3.01 per share in exchange for certain concessions that would benefit non-executive employees and provide greater incentive for employees to support the merger even if their positions were jeopardized by the transaction.

At a special meeting held on July 1, 2013, the NorCal board of directors, together with representatives of Sandler and Bingham McCutchen LLP, discussed the proposed merger between NorCal and Marin. Representatives of Sandler reviewed with the NorCal board of directors Sandler's financial analysis of the merger. Sandler then delivered its oral opinion, later confirmed in writing, to the NorCal board of directors that, as of July 1, 2013, and based upon and subject to the assumptions and limitations set forth in the written opinion, the merger consideration was fair, from a financial point of view, to the holders of NorCal common stock. After additional discussions and deliberations, the NorCal board of directors unanimously (1) declared that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of NorCal and its shareholders, (2) approved the merger agreement and (3) recommended to the shareholders of NorCal that they vote to approve the merger agreement.

Later in the day on July 1, 2013, NorCal and Marin executed the merger agreement. A joint press release announcing the transaction was released in the afternoon of July 1, 2013.

Recommendation of, and Factors Considered by, NorCal's Board of Directors

In reaching its conclusion to proceed with the merger and recommend adoption of the merger agreement to its shareholders, NorCal's board of directors considered information and advice from its financial advisor and its legal counsel. All material factors considered by the NorCal board of directors have been disclosed herein. In approving the merger agreement, the board of directors of NorCal considered a number of factors including the following, but did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors:

- the belief that the terms of the merger are fair to and in the best interest of the NorCal shareholders;
- the opinion rendered by Sandler to the NorCal board of directors that the consideration to be received was fair, from a financial point of view, to the shareholders of NorCal;
- the financial terms of the merger, including the relationship of the merger consideration to the book value of NorCal common stock and the earnings of NorCal;
- the prices paid and the terms of other recent comparable combinations of banks and bank holding companies;
- the structure of the merger consideration, with approximately 50% of the merger consideration payable in cash and approximately 50% payable in shares of Marin common stock;

the tax-deferred nature of the stock portion of the merger consideration;

the value of Marin common stock, including the liquidity of Marin common stock given its listing on Nasdaq and information concerning the financial performance and condition, business operations, capital levels, asset quality, loan portfolio breakdown, and prospects of Marin, including Marin's positive financial performance trends;

the NorCal board of directors' review, with its legal and financial advisors, of the preliminary discussions that Sandler had with numerous interested parties, with some of such parties subsequently gaining access to a due diligence data room and some of such parties communicating either verbally or in writing proposals that were inferior to Marin's proposal for a variety of reasons, including a lower value or uncertain value of the consideration, uncertain timing or a lower probability of success associated with the closing of a transaction;

the ability of Marin to complete a merger transaction from a financial and regulatory perspective;

the ability of Marin's management team to successfully integrate and operate the business of the combined company after the merger;

the advantages of being part of a larger entity, including the potential for operating efficiencies, the effect of a higher lending limit that would be available to NorCal's customers, and the generally higher trading multiples of larger financial institutions;

the ability of a larger institution to compete in the banking environment and to leverage overhead costs;

a review of the risks and prospects of remaining independent, including the challenges of the current financial and regulatory climate compared with aligning NorCal with a larger, well-capitalized, well-managed organization;

the current and prospective economic, regulatory and competitive environment facing the financial services industry generally, including the continued consolidation in the financial services industry and the competitive effects of the increased consolidation on relatively smaller financial institutions such as NorCal;

NorCal's lack of access to certain capital markets due to its relatively small size; and

results that could be expected to be obtained by NorCal if it continued to operate independently, and the likely benefits to shareholders of such course, as compared with the value of the merger consideration being offered by Marin.

The NorCal board of directors also considered the potential adverse consequences of the proposed merger, including:

the interests of NorCal's officers and directors with respect to the merger apart from their interests as holders of NorCal common stock, and the risk that these interests might influence their decision with respect to the merger;

provisions of the merger agreement limiting NorCal's ability to pursue other merger opportunities;

the loss of autonomy associated with being an independent financial institution;

the potential reaction of NorCal's customers to Marin;

the possibility that the merger and the related integration process could disrupt NorCal's on-going business and result in the loss of customers;

the fact that NorCal's officers and employees will have to focus extensively on actions required to complete the merger, which will divert their attention from NorCal's business, and that NorCal will incur substantial transaction costs even if the merger is not consummated;

that while the merger is pending, NorCal will be subject to restrictions on how it conducts business that could delay or prevent NorCal from pursuing business opportunities or preclude it from taking actions that would be advisable if it was to remain independent; and

the possible effects on NorCal should the parties fail to complete the merger, including the possible effects on the price of NorCal common stock, and the associated business and opportunity costs.

Based on the reasons stated, NorCal's board of directors believes that the merger is in the best interest of NorCal and its shareholders and unanimously recommends that the NorCal shareholders vote "FOR" approval of the merger agreement.

Opinion of NorCal's Financial Advisor

By letter dated November 5, 2012, NorCal retained Sandler to act as its financial advisor in connection with a potential sale of NorCal to another party. Sandler is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler acted as financial advisor to the board of directors of NorCal in connection with the proposed merger and participated in certain of the negotiations leading to the execution of the merger agreement, dated as of July 1, 2013 with Marin. At its July 1, 2013 meeting, the NorCal board reviewed the merger agreement and Sandler delivered to the board its oral opinion, which was subsequently confirmed in writing, that, as of such date, the merger consideration was fair to the holders of NorCal common stock from a financial point of view. The full text of Sandler's written opinion dated July 1, 2013 is attached as Appendix B to this proxy statement – prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. NorCal shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Sandler's opinion speaks only as of the date of the opinion. The opinion was directed to NorCal's board and is directed only to the fairness of the merger consideration to NorCal's common shareholders from a financial point of view. It does not address the underlying business decision of NorCal to engage in the merger or any other aspect of the merger and is not a recommendation to any NorCal shareholder as to how such shareholder should vote at the meeting with respect to the merger agreement or any other matter.

In connection with rendering its opinion on July 1, 2013, Sandler reviewed and considered, among other things:

- (1) the merger agreement;
- (2) certain financial statements and other historical financial information of NorCal that Sandler deemed relevant;
- (3) certain financial statements and other historical financial information of Marin that Sandler deemed relevant;
- (4) internal financial projections for NorCal for the year ending December 31, 2013 and an estimated long-term growth rate for the years thereafter as provided by and discussed with senior management of NorCal;
- (5) publicly available mean analyst estimates for Marin for the years ending December 31, 2013 and 2014 and a publicly available long-term earnings per share growth rate for the years thereafter as discussed and confirmed with senior management of Marin;
- (6) the pro forma financial impact of the merger on Marin based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies as determined by the senior management of Marin;
- (7) a comparison of certain financial and other information for NorCal and Marin with similar publicly available information for certain other banking institutions, the securities of which are publicly traded;
- (8) the terms and structures of other recent mergers and acquisition transactions in the banking sector;
- (9) the current market environment generally and in the banking sector in particular; and

(10) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler considered relevant.

Sandler also discussed with certain members of senior management of NorCal the business, financial condition, results of operations and prospects of NorCal and held similar discussions with the senior management of Marin regarding the business, financial condition, results of operations and prospects of Marin.

In performing its review, Sandler relied upon the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to Sandler by NorCal and Marin or that was otherwise reviewed by Sandler and assumed such accuracy and completeness for purposes of rendering its opinion. Sandler further relied on the assurances of the management of NorCal and Marin that such respective managements were not aware of any facts or circumstances that would make any of such information inaccurate or misleading in any material respect. Sandler was not asked to and did not undertake an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of NorCal or Marin or any of their respective subsidiaries. Sandler did not make an independent evaluation of the adequacy of the allowance for loan losses of NorCal and Marin or the combined entity after the merger and did not review any individual credit files relating to NorCal and Marin. Sandler has assumed, with NorCal's consent, that the respective allowances for loan losses for both NorCal and Marin are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler used internal financial projections as provided by the senior management of NorCal and publicly available mean analyst estimates as confirmed with the senior management of Marin. Sandler also received and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies which were prepared by and/or reviewed with representatives and senior management of Marin. With respect to those projections, estimates and judgments, the respective managements of NorCal and Marin confirmed to Sandler that those projections, estimates and judgments reflected the best currently available estimates and judgments of those respective managements of the future financial performance of NorCal and Marin, respectively, and Sandler assumed that such performance would be achieved. Sandler expressed no opinion as to such estimates or the assumptions on which they were based. Sandler also assumed that there was no material change in the respective assets, financial condition, results of operations, business or prospects of NorCal and Marin since the date of the most recent financial data made available to Sandler. Sandler assumed in all respects material to its analysis that NorCal and Marin would remain as a going concern for all periods relevant to its analyses. Finally, Sandler expressed no opinion as to any of the legal, accounting and tax matters relating to the merger and any other transactions contemplated in connection therewith. Finally, Sandler relied upon the advice that NorCal received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

Sandler's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of such opinion. Events occurring after the date of its opinion could materially affect its opinion. Sandler did not undertake to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion.

Sandler's opinion was directed to the board of directors of NorCal in connection with its consideration of the merger and merger agreement and does not constitute a recommendation to any shareholder of NorCal as to how such shareholder should vote at any meeting of shareholders called to consider and vote upon the merger. Sandler's opinion is directed only to the fairness, from a financial point of view, of the merger consideration to holders of NorCal common stock and does not address the underlying business decision of NorCal to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for NorCal or the effect of any other transaction in which NorCal might engage. Sandler's opinion shall not be reproduced or used for used for any other purposes, without Sandler's prior written consent. Sandler's opinion has been approved by Sandler's fairness

opinion committee. Sandler has consented to inclusion of its opinion and this summary in the registration statement on Form S-4 which includes this proxy statement – prospectus. Sandler does not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by NorCal’s officers,

directors, or employees, or class of such persons, relative to the compensation to be received in the merger by any other shareholders of NorCal.

In rendering its July 1, 2013 opinion, Sandler performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler, but is not a complete description of all the analyses underlying Sandler's opinion. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. In arriving at its opinion, Sandler did not attribute any particular weight to any analysis or factor that it considered. Rather, Sandler made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather, Sandler made its determination as to the fairness of the merger consideration to NorCal common shareholders on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler's comparative analyses described below is identical to NorCal or Marin and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of NorCal or Marin and the companies to which they are being compared.

In performing its analyses, Sandler also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of NorCal, Marin and Sandler. The analysis performed by Sandler is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the NorCal board at the July 1, 2013 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler's analyses do not necessarily reflect the value of NorCal's common stock or the prices at which NorCal's common stock may be sold at any time. The analysis and opinion of Sandler was among a number of factors taken into consideration by NorCal's board in making its determination to adopt the merger agreement and the analyses described below should not be viewed as determinative of the decision of NorCal's board or management with respect to the fairness of the merger consideration to NorCal common shareholders.

At the July 1, 2013 meeting of the NorCal board, Sandler presented certain financial analyses of the merger. The summary below is not a complete description of the analyses underlying the opinions of Sandler or the presentation made by Sandler to the NorCal board, but is instead a summary of the material analyses performed and presented in connection with the opinion.

Summary of Proposal.

Sandler reviewed the financial terms of the proposed merger. All of the outstanding shares of NorCal common stock will be cancelled, and shareholders of NorCal will elect to receive either 0.07716 shares of Marin common stock (subject to adjustment as stated below), \$3.01 in cash, or a combination for shares of NorCal common stock they own,

subject to the limitations in the merger agreement. The number of shares of Marin common stock to be issued to NorCal shareholders is based on the fixed exchange ratio of 0.07716, provided that Marin's common stock price remains between \$35.11 and \$42.91 as measured by the 15-day volume-weighted average price prior to closing of the transaction. To the extent the volume-weighted average closing price of Marin common stock is outside this price range, then the exchange ratio will adjust

as set forth in the merger agreement. The aggregate transaction value is \$32.5 million based on NorCal common shares outstanding of 10,641,940 and Marin closing stock price of \$40.00 as of June 28, 2013. The aggregate transaction value also includes cash payment of \$3.01 less the applicable strike price for 40,000 in-the-money options outstanding with weighted average strike price of \$1.50. Based upon financial information as or for the quarter ended March 31, 2013, Sandler calculated the following transaction ratios:

Transaction Value / Book Value:	123	%
Transaction Value / Tangible Book Value:	123	%
Transaction Value / Last Twelve Months Earnings Per Share	6.3x	
Transaction Value / Last Twelve Months Earnings Per Share (Adjusted)	NM	
Core Deposit Premium:	2.8	%
Market Premium (as of June 28, 2013)	10.8	%

NorCal – Comparable Company Analysis.

Sandler also used publicly available information to compare selected financial and market trading information for NorCal and a group of financial institutions selected by Sandler. The NorCal peer group was selected by Sandler and consisted of the following selected public banks with total assets between \$150 million and \$500 million and headquartered in the following California counties: Alameda, Amador, Contra Costa, El Dorado, Marin, Napa, Placer, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, Sutter, and Yolo.

Greater Sacramento Bancorp	Summit State Bank
Avidbank Holdings, Inc.	Presidio Bank
California Bank of Commerce	Bay Commercial Bank
United American Bank	Focus Business Bank
AltaPacific Bancorp	Liberty Bancorp
New Resource Bank	Community 1 st Bank
Summit Bancshares, Inc.	Pinnacle Bank
MNB Holdings Corporation	Community Bank of the Bay
River Valley Community Bank	Valley Community Bank

The analysis compared publicly available financial information for NorCal and the median financial and market trading data for the NorCal regional peer group as of and for the most recent quarter ended March 31, 2013. The table below sets forth the data for NorCal and the median data for the NorCal regional peer group as of and for the most recent quarter ended March 31, 2013, with pricing data as of June 28, 2013. Return on average assets, return on average equity, and earnings per share were adjusted to exclude the reversal of \$5.6 million valuation allowance against deferred tax asset and for an effective tax rate of 35%.

	NorCal	Peer Group Median
Total Assets (in millions)	\$265	\$218
Last Twelve Months Return on Average Assets	(0.11)%	0.59%
Last Twelve Months Return on Average Equity	(1.4)%	5.1%
Last Twelve Months Net Interest Margin	3.65%	3.82%
Last Twelve Months Efficiency Ratio	80%	79%
Last Twelve Months Cost of Funds	0.20%	0.45%
Non-performing Assets / Total Assets	0.97%	1.56%
Non-performing Loans / Total Loans	1.51%	1.80%
Loan Loss Reserves / Non-performing Assets	131%	108%
Tangible Common Equity / Tangible Assets	10.0%	10.2%
Leverage Ratio	11.5%	11.2%
Total Risk Based Capital Ratio	18.1%	16.1%
Price / Book Value	111%	90%
Price / Tangible Book Value	111%	93%
Price / Last Twelve Months Earnings Per Share	NM	13.3x
Market Capitalization (in millions)	\$29	\$26

Source: SNL Financial

NorCal - Stock Price Performance.

Sandler reviewed the history of the publicly reported trading prices of NorCal's common stock for the one-year period ended June 28, 2013. Sandler also reviewed the history of the publicly reported trading prices of NorCal's common stock for the three-year period ended June 28, 2013. Sandler then compared the relationship between the movements in the price of NorCal's common stock against the movements in the prices of an index of its peer group, the KBW Regional Bank Index and the S&P 500 Index.

NorCal One-Year Stock Performance

	Beginning Index Value June 28, 2012	Ending Index Value June 28, 2013	
NorCal	100	% 163.7	%
Peer Group Index	100	% 118.4	%
KBW Regional Bank Index	100	% 120.4	%
S&P 500 Index	100	% 120.9	%

NorCal Three-Year Stock Performance

	Beginning Index Value June 28, 2010	Ending Index Value June 28, 2013	
NorCal	100	% 131.0	%
Peer Group Index	100	% 114.7	%
KBW Regional Bank Index	100	% 131.5	%
S&P 500 Index	100	% 149.5	%

Marin - Comparable Company Analysis.

Sandler also used publicly available information to compare selected financial and market trading information for Marin and a group of financial institutions selected by Sandler. The Marin peer group consisted of the following selected public banks headquartered in California with total assets between \$1.0 billion and \$3.0 billion.

TriCo Bancshares	Pacific Premier Bancorp, Inc.
Sierra Bancorp	Heritage Commerce Corp.
Bridge Capital Holdings	CU Bancorp
Heritage Oaks Bancorp	Pacific Mercantile Bancorp

The analysis compared publicly available financial information for Marin and the median financial and market trading data for the Marin peer group as of and for the most recent quarter ended March 31, 2013. The table below sets forth the data for Marin and the median data for the Marin peer group as of and for the most recent quarter ended March 31, 2013, with pricing data as of June 28, 2013.

	Marin	Peer Group Median
Total Assets (in millions)	\$1,427	\$1,365
Last Twelve Months Return on Average Assets	1.23%	0.82%
Last Twelve Months Return on Average Equity	12.0%	8.1%
Last Twelve Months Net Interest Margin	4.68%	4.19%
Last Twelve Months Efficiency Ratio	55%	68%
Last Twelve Months Cost of Funds	0.18%	0.32%
Non-performing Assets / Total Assets	1.83%	1.35%
Non-performing Loans / Total Loans	2.44%	2.07%
Loan Loss Reserves / Non-performing Assets	51%	81%
Tangible Common Equity / Tangible Assets	11.0%	10.6%
Leverage Ratio	10.9%	12.8%
Total Risk Based Capital Ratio	14.0%	16.1%
Price / Book Value	138%	125%
Price / Tangible Book Value	138%	138%
Price / Last Twelve Months Earnings Per Share	12.3x	16.4x
Price / Estimated 2013 Earnings Per Share	12.0x	15.6x
Price / Estimated 2014 Earnings Per Share	12.4x	14.3x
Market Capitalization (in millions)	\$218	\$194

Source: SNL Financial

Marin - Stock Price Performance.

Sandler reviewed the history of the publicly reported trading prices of Marin's common stock for the one-year period ended June 28, 2013. Sandler also reviewed the history of the publicly reported trading prices of Marin's common stock for the three-year period ended June 28, 2013. Sandler then compared the relationship between the movements in the price of Marin's common stock against the movements in the prices of an index of its peer group, the KBW Regional Bank Index and the S&P 500 Index.

Marin One-Year Stock Performance

	Beginning Index Value June 28, 2012	Ending Index Value June 28, 2013	
Marin	100	% 110.0	%
Peer Group Index	100	% 121.7	%
KBW Regional Bank Index	100	% 120.4	%
S&P 500 Index	100	% 120.9	%

Marin Three-Year Stock Performance

	Beginning Index Value June 28, 2010	Ending Index Value June 28, 2013	
Marin	100	% 121.0	%
Peer Group Index	100	% 149.7	%
KBW Regional Bank Index	100	% 131.5	%
S&P 500 Index	100	% 149.5	%

NorCal - Net Present Value Analysis.

Sandler performed an analysis that estimated the present value of NorCal common stock through December 31, 2017.

Sandler based the analysis on NorCal's internal financial projections for NorCal for the year ending December 31, 2013 and an estimated long-term growth rate for the years thereafter as provided by and discussed with senior management of NorCal.

To approximate the terminal value of NorCal's common stock at December 31, 2017, Sandler applied price to forward earnings multiples of 10.0x to 20.0x and multiples of tangible book value ranging from 60% to 130%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 9.0% to 15.0%.

Earnings Per Share Multiples

Discount Rate	10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
9.0%	\$1.11	\$1.34	\$1.56	\$1.78	\$2.01	\$2.23
10.0%	\$1.07	\$1.28	\$1.49	\$1.71	\$1.92	\$2.14
11.0%	\$1.02	\$1.23	\$1.43	\$1.64	\$1.84	\$2.05
12.0%	\$0.98	\$1.18	\$1.37	\$1.57	\$1.76	\$1.96
13.0%	\$0.94	\$1.13	\$1.32	\$1.50	\$1.69	\$1.88
14.0%	\$0.90	\$1.08	\$1.26	\$1.44	\$1.62	\$1.80
15.0%	\$0.86	\$1.04	\$1.21	\$1.38	\$1.56	\$1.73

Tangible Book Value Per Share Multiples

Discount Rate	60%	75%	90%	100%	115%	130%
9.0%	\$1.27	\$1.59	\$1.91	\$2.12	\$2.44	\$2.76
10.0%	\$1.22	\$1.52	\$1.83	\$2.03	\$2.33	\$2.64
11.0%	\$1.17	\$1.46	\$1.75	\$1.94	\$2.24	\$2.53
12.0%	\$1.12	\$1.40	\$1.68	\$1.86	\$2.14	\$2.42
13.0%	\$1.07	\$1.34	\$1.61	\$1.79	\$2.05	\$2.32
14.0%	\$1.03	\$1.29	\$1.54	\$1.71	\$1.97	\$2.23
15.0%	\$0.99	\$1.23	\$1.48	\$1.64	\$1.89	\$2.14

Sandler also considered and discussed with the NorCal board how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler performed a similar analysis assuming NorCal's net income varied from 25% above projections to 25% below projections. This analysis resulted in the following reference ranges of indicated per share values for NorCal common stock, using a discount rate of 12.00%:

Earnings Per Share Multiples

Annual Budget Variance	10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
(25.0)	)% \$0.74	\$0.88	\$1.03	\$1.18	\$1.32	\$1.47
(20.0)	)% \$0.78	\$0.94	\$1.10	\$1.25	\$1.41	\$1.57
(15.0)	)% \$0.83	\$1.00	\$1.17	\$1.33	\$1.50	\$1.67
(10.0)	)% \$0.88	\$1.06	\$1.23	\$1.41	\$1.59	\$1.76
(5.0)	)% \$0.93	\$1.12	\$1.30	\$1.49	\$1.68	\$1.86
0.0	% \$0.98	\$1.18	\$1.37	\$1.57	\$1.76	\$1.96
5.0	% \$1.03	\$1.23	\$1.44	\$1.65	\$1.85	\$2.06
10.0	% \$1.08	\$1.29	\$1.51	\$1.72	\$1.94	\$2.16
15.0	% \$1.13	\$1.35	\$1.58	\$1.80	\$2.03	\$2.25
20.0	% \$1.18	\$1.41	\$1.65	\$1.88	\$2.12	\$2.35
25.0	% \$1.23	\$1.47	\$1.72	\$1.96	\$2.21	\$2.45

Marin - Net Present Value Analysis.

Sandler performed an analysis that estimated the present value of Marin common stock through December 31, 2017.

Sandler based the analysis on Marin's projected earnings stream as derived from publicly available mean analyst estimates for Marin for the years ending December 31, 2013 and 2014 and a publicly available long-term earnings per share growth rate for the years thereafter as discussed and confirmed with senior management of Marin;

To approximate the terminal value of Marin's common stock at December 31, 2017, Sandler applied price to forward earnings multiples of 10.0x to 20.0x and multiples of tangible book value ranging from 110% to 160%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 9.0% to 15.0%.

Earnings Per Share Multiples

Discount Rate	10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
9.0%	\$30.78	\$36.33	\$41.87	\$47.41	\$52.95	\$58.49
10.0%	\$29.53	\$34.83	\$40.14	\$45.45	\$50.75	\$56.06
11.0%	\$28.34	\$33.42	\$38.50	\$43.58	\$48.67	\$53.75
12.0%	\$27.20	\$32.07	\$36.94	\$41.81	\$46.69	\$51.56
13.0%	\$26.13	\$30.80	\$35.46	\$40.13	\$44.80	\$49.47
14.0%	\$25.10	\$29.58	\$34.06	\$38.54	\$43.01	\$47.49
15.0%	\$24.13	\$28.42	\$32.72	\$37.02	\$41.31	\$45.61

Tangible Book Value Per Share Multiples

Discount Rate	110%	120%	130%	140%	150%	160%
9.0%	\$33.96	\$36.75	\$39.55	\$42.35	\$45.15	\$47.94
10.0%	\$32.57	\$35.25	\$37.93	\$40.60	\$43.28	\$45.96
11.0%	\$31.25	\$33.82	\$36.38	\$38.95	\$41.51	\$44.08
12.0%	\$30.00	\$32.46	\$34.92	\$37.37	\$39.83	\$42.29
13.0%	\$28.81	\$31.16	\$33.52	\$35.88	\$38.24	\$40.59
14.0%	\$27.67	\$29.93	\$32.20	\$34.46	\$36.72	\$38.98
15.0%	\$26.60	\$28.77	\$30.93	\$33.10	\$35.27	\$37.44

Sandler also considered and discussed with the NorCal board how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler performed a similar analysis assuming Marin's net income varied from 25% above projections to 25% below projections. This analysis resulted in the following reference ranges of indicated per share values for Marin common stock, using a discount rate of 12.00%:

Earnings Per Share Multiples

Annual Budget Variance	10.0x	12.0	14.0x	16.0x	18.0x	20.0x
(25.00)	)% \$21.12	\$24.77	\$28.42	\$32.07	\$35.73	\$39.38
(20.00)	)% \$22.33	\$26.23	\$30.13	\$34.02	\$37.92	\$41.81
(15.00)	)% \$23.55	\$27.69	\$31.83	\$35.97	\$40.11	\$44.25
(10.00)	)% \$24.77	\$29.15	\$33.54	\$37.92	\$42.30	\$46.69
(5.00)	)% \$25.99	\$30.61	\$35.24	\$39.87	\$44.49	\$49.12
0.0	% \$27.20	\$32.07	\$36.94	\$41.81	\$46.69	\$51.56
5.0	% \$28.42	\$33.54	\$38.65	\$43.76	\$48.88	\$53.99
10.0	% \$29.64	\$35.00	\$40.35	\$45.71	\$51.07	\$56.43
15.0	% \$30.86	\$36.46	\$42.06	\$47.66	\$53.26	\$58.86
20.0	% \$32.07	\$37.92	\$43.76	\$49.61	\$55.45	\$61.30
25.0	% \$33.29	\$39.38	\$45.47	\$51.56	\$57.64	\$63.73

Analysis of Selected Merger Transactions.

Sandler reviewed two sets of comparable mergers and acquisitions. The first set of mergers and acquisitions included 37 transactions announced from January 1, 2012 through June 28, 2013 involving commercial banks with announced deal values and where the selling bank's total assets was between \$100 million and \$500 million, NPAs / Assets was less than 3%, and TCE / TA was greater than 9% at announcement. The second set of mergers and acquisitions included 8 transactions announced from January 1, 2011 through June 28, 2013 involving California commercial banks with announced deal values and where the selling bank's total assets was between \$100 million and \$500 million, NPAs / Assets was less than 3%, and TCE / TA was greater than 9% at announcement.

Sandler deemed these transactions to be reflective of the proposed NorCal and Marin combination. Sandler reviewed the following multiples: transaction price to book value, transaction price to tangible book value, transaction price to last twelve months earnings per share, core deposit premium and market premium. As illustrated in the following table, Sandler compared the proposed merger multiples to the median multiples of these comparable transactions.

	NorCal / Marin	Nationwide Median	California Median
Transaction Value / Book Value	123%	124%	120%
Transaction Value / Tangible Book Value	123%	127%	120%
Transaction Value / Last Twelve Months EPS	6.3x	18.6x	25.0x
Core Deposit Premium	2.8%	3.4%	1.7%
Market Premium ¹	10.8%	31.9%	31.9%

¹ Two-day market premium

Pro Forma Merger Analysis.

Sandler analyzed certain potential pro forma effects of the merger, assuming the following: (1) the merger is completed in the fourth quarter of 2013; (2) the deal value per share is equal to \$3.05 per NorCal share; (3) pre-tax cost savings of \$2.5 million in 2014 and \$3.6 million in 2015; (4) one-time costs of \$3.75 million pre-tax are expensed prior to close and \$3.75 million pre-tax are expensed in 2014; (5) Marin's performance was calculated in accordance with publicly available mean analyst estimates for Marin for the years ending December 31, 2013 and 2014 and a publicly available long-term earnings per share growth rate for the years thereafter as discussed and confirmed with senior management of Marin; (6) NorCal's performance was calculated in accordance with NorCal's internal financial projections for NorCal for the year ending December 31, 2013 and an estimated long-term growth rate for the years thereafter as provided by and discussed with senior management of NorCal; (7) certain other assumptions pertaining to costs and expenses associated with the transaction, intangible amortization, opportunity cost of cash and other items. The analyses indicated that, for the full years 2014 to 2018, the merger (excluding transaction expenses) would be accretive to Marin's projected earnings per share. The actual results achieved by the combined company may vary from projected results and the variations may be material.

Sandler's Compensation and Other Relationships.

Sandler has acted as financial advisor to the board of directors of NorCal in connection with the merger. NorCal has agreed to pay Sandler a transaction fee in an amount equal to (i) 1.20% of the amount by which the aggregate purchase price paid is equal to or less than \$2.69 per share, plus (ii) 2.5% of the amount by which the aggregate purchase price paid exceeds \$2.69 per share, which shall be due and payable in immediately available funds on the day of closing of the business combination (estimated to be \$459,727 as of July 29, 2013). NorCal has also agreed to pay Sandler a fee of \$50,000 to render an opinion in connection

with the merger, which shall be due and payable in immediately available funds at the time such opinion is rendered. Sandler's fairness opinion was approved by Sandler's fairness opinion committee.

In the ordinary course of their respective broker and dealer businesses, Sandler may purchase securities from and sell securities to NorCal and Marin and their affiliates. Sandler may also actively trade the debt and/or equity securities of NorCal and Marin or their affiliates for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

Exchange Ratio

The value that you will receive in exchange for your NorCal stock is dependent on certain defined terms in the merger agreement called the "Exchange Ratio," "Parent Average Price" and the "Per Share Cash Consideration."

"Exchange Ratio" means 0.07716 share of Marin common stock for each share of NorCal common stock; provided, however, if the Parent Average Price is more than \$42.91 but not more than \$44.86, the Exchange Ratio shall be equal to the quotient of \$3.31 divided by the Parent Average Price; provided, further, if the Parent Average Price is more than \$44.86, the Exchange Ratio shall be 0.07379 subject to the possibility of further adjustment as provided in Section 8.04(d) of the merger agreement; provided further, if the Parent Average Price is less than \$35.11 but not less than \$33.16, the Exchange Ratio shall be equal to the quotient of \$2.71 divided by the Parent Average Price; provided further, if the Parent Average Price is less than \$33.16, the Exchange Ratio shall be 0.08172 subject to the possibility of further adjustment as provided in Section 8.03(d) of the merger agreement;

"Parent Average Price" means the weighted average price of Marin on the Nasdaq Stock Exchange reporting system (based on "regular way" trading) for the fifteen trading days ending on the day which is the second trading day preceding the anticipated closing date of the merger, whether or not trades occur on those days.

"Per Share Cash Consideration" means \$3.01 per NorCal common share.

Accordingly, changes in the price of Marin's common stock can affect the Parent Average Price, and if the weighted average used to calculate the Parent Average Price results in a number outside the range between \$35.11 and \$42.91, the Exchange Ratio will adjust. The Per Share Cash Consideration always remains fixed at \$3.01 per NorCal common share.

As a shareholder of NorCal, you may elect, subject to the proration provisions discussed below, to receive all cash, all Marin common stock or a combination of cash and Marin common stock for the NorCal shares you own.

If you receive cash, the amount you receive per share will be equal to the "Per Share Cash Consideration" or \$3.01 per share.

If you receive Marin common stock, the number of shares that you will receive will be equal to the number of your NorCal shares multiplied by the Exchange Ratio. The Exchange Ratio generally is fixed, but may adjust as discussed above relative to the Parent Average Price. To the extent that the formula results in a fraction of a share, such fraction will not be issued but you will receive cash in lieu of such fractional interest.

The following table illustrates the "Exchange Ratio" as a function of several possible "Parent Average Prices" and the effect that has on the number of shares of Marin common stock issued and the value of the aggregate consideration to be issued by Marin in the transaction:

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Dollars in thousands, except per share

Parent Average Price	Exchange Ratio	Per Share Value of Stock	Per Share Cash Consideration	Blended Per Share Consideration	Per Share	Required Stock Amount	Aggregate Stock Consideration	Aggregate Cash Consideration	Aggregate Merger Consideration	Stock Percentage	Cash Perce
\$48.76	0.07379	\$3.60	\$3.01	\$3.30		392,634	\$19,145	\$16,016	\$35,161	54.45%	45.55
\$46.81	0.07379	\$3.45	\$3.01	\$3.23		392,634	\$18,379	\$16,016	\$34,395	53.44%	46.56
\$44.86	0.07379	\$3.31	\$3.01	\$3.16		392,634	\$17,614	\$16,016	\$33,630	52.38%	47.62
\$44.47	0.07443	\$3.31	\$3.01	\$3.16		396,040	\$17,612	\$16,016	\$33,628	52.37%	47.63
\$44.08	0.07509	\$3.31	\$3.01	\$3.16		399,552	\$17,612	\$16,016	\$33,628	52.37%	47.63
\$43.69	0.07576	\$3.31	\$3.01	\$3.16		403,117	\$17,612	\$16,016	\$33,628	52.37%	47.63
\$42.91	0.07716	\$3.31	\$3.01	\$3.16		410,566	\$17,617	\$16,016	\$33,634	52.38%	47.62
\$40.96	0.07716	\$3.16	\$3.01	\$3.09		410,566	\$16,817	\$16,016	\$32,833	51.22%	48.78
\$39.01	0.07716	\$3.01	\$3.01	\$3.01		410,566	\$16,016	\$16,016	\$32,032	50.00%	50.00
\$37.06	0.07716	\$2.86	\$3.01	\$2.93		410,566	\$15,216	\$16,016	\$31,232	48.72%	51.28
\$35.11	0.07716	\$2.71	\$3.01	\$2.86		410,566	\$14,415	\$16,016	\$30,431	47.37%	52.63
\$34.33	0.07894	\$2.71	\$3.01	\$2.86		420,037	\$14,420	\$16,016	\$30,436	47.38%	52.62
\$33.94	0.07985	\$2.71	\$3.01	\$2.86		424,879	\$14,420	\$16,016	\$30,437	47.38%	52.62
\$33.55	0.08077	\$2.71	\$3.01	\$2.86		429,775	\$14,419	\$16,016	\$30,435	47.38%	52.62
\$33.16	0.08172	\$2.71	\$3.01	\$2.86		434,830	\$14,419	\$16,016	\$30,435	47.38%	52.62
\$31.21	0.08172	\$2.55	\$3.01	\$2.78		434,830	\$13,571	\$16,016	\$29,587	45.87%	54.13
\$29.26	0.08172	\$2.39	\$3.01	\$2.70		434,830	\$12,723	\$16,016	\$28,739	44.27%	55.73

Please see “Market Price and Dividend Information” for the historical price information for Marin’s and NorCal’s common stocks.

Subsequent to June 30, 2013, Marin will receive a cash dividend from Bank of Marin to provide the necessary funds for the cash portion of the merger consideration to be paid to NorCal’s shareholders.

Election Procedure

In order to make a valid election, a shareholder of NorCal must complete a form transmittal letter that will be mailed by Marin’s exchange agent, Registrar and Transfer Company, at least 35 days prior to the anticipated closing date of the merger to each holder of record of NorCal common stock as of 5 business days prior to the mailing date. Such transmittal letter will allow holders of NorCal common stock to select either shares of Marin common stock, cash or a combination of the foregoing. PLEASE RETAIN THIS PROXY STATEMENT – PROSPECTUS, SINCE IT WILL BE OF ASSISTANCE IN MAKING YOUR ELECTION.

IF YOU DO NOT MAKE A VALID AND TIMELY ELECTION, YOU WILL RECEIVE WHATEVER FORM OF CONSIDERATION (MARIN COMMON SHARES OR CASH) AS MAY BE NECESSARY TO SATISFY THE PRORATION PROVISIONS DISCUSSED BELOW.

A valid election will be properly made and effective only if the exchange agent actually receives a properly completed letter of transmittal by 5:00 p.m. on or before the 30th day after the letter of transmittal is first mailed. A letter of

transmittal will be deemed properly completed only if an election is indicated for each share of NorCal common stock and accompanied by one or more certificates, or customary affidavits and indemnity for lost certificates, representing all shares of NorCal common stock covered by such letter of transmittal. An election may be revoked or changed at any time prior to the election deadline.

NORCAL SHAREHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES UNTIL THEY RECEIVE THE ELECTION FORMS AND INSTRUCTIONS FROM THE EXCHANGE AGENT.

The number of NorCal shares with respect to which a stock or cash or combination election is effective may be changed under certain circumstances. By the terms of the merger agreement, one half of the outstanding NorCal common shares must be exchanged for Marin common stock.

If, after taking into account all valid cash elections, more than half of the total number of NorCal common shares would be exchanged for Marin common stock, the exchange agent will deliver cash instead of Marin shares first to shareholders who failed to make a valid election and then, if necessary, to NorCal shareholders even though they made a valid stock election. As a result, the NorCal shareholders that made valid stock elections will be subject to a proration process which will result in the holder receiving a different mix of consideration than originally requested.

On the other hand, if after taking into account all valid elections, less than half of the total number of NorCal common shares would be exchanged for Marin common stock, the exchange agent will deliver Marin shares instead of cash first to NorCal shareholders who failed to make a valid election and then, if necessary, to NorCal shareholders even though they made valid cash elections. As a result, the NorCal shareholders that made valid cash elections will be subject to a proration process which will result in the holders receiving a different mix of consideration than originally requested.

For details on the proration provisions, please refer to the merger agreement, attached as Appendix A to this proxy statement – prospectus.

The proration provisions of the merger agreement are subject to further revision so that in no event will the total amount of cash paid by Marin in the merger (including cash for (i) NorCal common stock, (ii) fractional shares, (iii) stock options and (iv) dissenting shares) exceed 58% of the total consideration received in the merger.

Because the price of Marin common stock fluctuates, you will not know, when you vote or make your election, either the exact value of the shares of Marin common stock, or the number of shares of Marin common stock, which you will receive in the merger. The market value of Marin shares at the time of the merger and afterwards could be substantially higher or lower than the current market value. You are urged to obtain current market quotations for both Marin and NorCal stock, and to consult with your financial advisors before you vote. In addition, please review the “Risk Factors” section of this proxy statement – prospectus before deciding how to vote or making an election.

As soon as practicable following the closing date of the merger, and after the proration procedures described above are completed, each holder of NorCal common stock who submitted a properly completed letter of transmittal will be issued a certificate representing the number of shares of Marin common stock to which such holder is entitled, if any (and, if applicable, a check for the amount to be paid in lieu of fractional shares of Marin common stock), and/or an amount of cash to which such holder is entitled, if any.

Surrender of NorCal Stock Certificates after the Merger

Holders of NorCal common stock who do not submit a letter of transmittal prior to the election deadline must nevertheless submit a properly completed letter of transmittal (other than the section pertaining to the election) and the certificate representing NorCal common stock to the exchange agent in order to receive your consideration.

No dividends or other distributions that are declared on Marin common stock will be paid to persons otherwise entitled to receive the same until the NorCal certificates for their shares have been surrendered in exchange for the Marin certificates, but upon such surrender, such dividends or other distributions, from and after the effective time of the merger, will be paid to such persons in accordance with the terms of Marin common stock. No interest will be paid

to the NorCal

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shareholders on the cash or the Marin common stock into which their shares of NorCal common stock will be exchanged.

Regulatory Approvals Required

Bank holding companies, such as Marin and NorCal, and banks, such as Bank of Marin and Bank of Alameda, are heavily regulated institutions with numerous federal and state laws and regulations governing their activities. Among these laws and regulations are requirements of prior approval by applicable government regulatory authorities in connection with acquisition and merger transactions such as the merger. In addition, these institutions are subject to ongoing supervision, regulation and periodic examination by various federal and state financial institution regulatory agencies.

Consummation of the merger is subject to various conditions, including, among others, receipt of the prior approvals of the DFI and the FDIC.

The merger agreement provides that the obligations of the parties to consummate the merger are conditioned upon all regulatory approvals having been granted by March 31, 2014.

Application for regulatory review and approval of the merger and the related transactions has been filed with the DFI and the FDIC and a request for determination of an exemption has been filed with the FRB. There can be no assurance that the DFI, the FDIC or the FRB will approve or take other required action with respect to the merger and the related transactions or as to the date of such approvals or action.

Management and Operations after the Merger

Management. Mr. Kevin Kennedy, a current member of NorCal's board of directors will be named to serve as a member of the boards of directors of Marin and Bank of Marin following consummation of the merger. Otherwise, the directors and the principal executive officers of Marin and Bank of Marin immediately prior to the effective time of the merger will continue as the directors and the principal executive officers following the merger.

Operations. Although there can be no assurance that any specific level of cost savings will be achieved, Marin currently expects cost reductions attributable to the merger to approximate 33% of NorCal non-interest expense (assuming a non-interest expense base of approximately \$10.0 million pre-tax) with 75% to be realized in 2014 and 100% thereafter.

It is also estimated that one-time, merger-related restructuring charges will total approximately \$4.5 million after tax (this includes approximately \$1.6 million in after-tax related data processing contract termination fees). Marin expects the transaction to be accretive to earnings during the first full year of operations.

This information should be read in conjunction with the historical consolidated financial statements of NorCal and Marin, including the respective notes thereto, attached to this proxy statement – prospectus or incorporated herein by reference.

The statements contained in this section constitute “forward looking statements.” Actual results, which are dependent on a number of factors, many of which are beyond the control of Marin and NorCal, may differ materially. See “Forward Looking Statements.” The cost savings and restructuring charges reflected above and in this proxy statement – prospectus may not be indicative of the results that may be achieved in the future. Assuming consummation of the merger, the actual cost savings and restructuring charges that may be realized in the merger may differ, perhaps significantly, from the amounts described above and elsewhere in this proxy statement – prospectus.

Nasdaq Listing

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The shares of Marin common stock to be issued in the merger will be listed on the Nasdaq Global Market.

Resales of Marin Common Stock

The shares of Marin common stock to be issued to shareholders of NorCal in the merger have been registered under the Securities Act of 1933. Such shares will be freely transferable under such Act.

Material Federal Income Tax Consequences

The parties intend for the merger to be treated as a tax-free reorganization for U.S. federal income tax purposes. It is a condition to complete the merger that Crowe Horwath LLP, special tax counsel to Marin, issue an opinion that the merger will be treated as a reorganization within the meaning of section 368(a) of the Internal Revenue Code.

The following general discussion sets forth the anticipated material federal income tax consequences of the merger for U.S. holders (as defined below) of NorCal shareholders and NorCal. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to income tax. This discussion relies upon certain representations made by Marin, Bank of Marin, NorCal and Bank of Alameda, and is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect). A tax opinion is not binding on the IRS or the courts, and therefore no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth below.

This discussion is limited to United States residents and citizens that hold their NorCal shares as capital assets within the meaning of section 1221 of the Code for U.S. federal income tax purposes (generally, assets held for investment). This discussion does not address all of the tax consequences that may be relevant to a particular shareholder or to a shareholder that is subject to special treatment under U.S. federal income tax laws, including but not limited to, if you are:

- financial institution;
- tax-exempt organization;
- an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity);
- an insurance company;
- mutual fund;
- dealer or broker in stocks and securities, or currencies;
- trader in securities that elects mark-to-market treatment;
- subject to the alternative minimum tax provisions of the Code;
- a person that is not a U.S. holder (as defined below);
- a person that has a functional currency other than the U.S. dollar;
- a holder of NorCal common stock that holds NorCal common stock as part of a hedge, straddle, constructive sale, conversion, or other integrated transaction; or

subject to tax under Code sections 877 or 877A as a U.S. expatriate.

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Determining the actual tax consequences of the merger to you may be complex. They will depend on your specific situation and on factors that are not within our knowledge or control. You should consult with your own tax advisor as to the tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

For purposes of this discussion, the term “U.S. holder” means a beneficial owner of NorCal common stock that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

The U.S. federal income tax consequences to a partner in an entity or arrangement treated as a partnership, for U.S. federal income tax purposes, that holds NorCal common stock generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding NorCal common stock should consult their own tax advisors.

NORCAL SHAREHOLDERS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER, AS WELL AS THE EFFECTS OF STATE, LOCAL AND NON-U.S. TAX LAWS.

The merger will be treated as a “reorganization” within the meaning of Section 368(a) of the Code. As a “reorganization,” for U.S. federal income tax purposes no gain or loss will be recognized by NorCal in the merger, and the material U.S. federal income tax consequences of the merger for NorCal shareholders are summarized as follows:

NorCal Shareholders Who Receive Only Marin Shares. If you receive solely Marin shares, then you will not recognize gain or loss for U.S. federal income tax purposes in the merger, except that any NorCal shareholder who receives cash proceeds in lieu of a fractional Marin share will recognize capital gain or capital loss equal to the difference between such proceeds and the tax basis allocated to the fractional share. The tax basis of the Marin shares (including any fractional shares deemed received and exchanged for a cash payment) received by you in exchange for your NorCal common stock will be the same as your tax basis in your NorCal common stock. Your holding period in the Marin shares (including any fractional shares deemed received and exchanged for a cash payment) received by you will include your holding period in your NorCal common stock. Your capital gain or loss on cash proceeds received by you in lieu of a fractional Marin share will be long-term capital gain or loss if you have held your shares of NorCal common stock for more than one year at the effective time of the merger.

NorCal Shareholders Who Receive Only Cash. If you exchange all of your shares of NorCal common stock for cash in the merger, you will recognize capital gain or capital loss for U.S. federal income tax purposes to the extent the amount of cash received by you in the merger (calculated on a share by share basis) exceeds or is less than your tax basis in your NorCal common stock.

NorCal Shareholders Who Receive Both Marin Shares and Cash. If you receive both Marin shares and cash in exchange for your NorCal common stock, you will recognize gain, but not loss, for U.S. federal income tax purposes (calculated on a share by share basis) in an amount equal to the lesser of (1) the amount of cash received by you in merger and (2) an amount equal to the excess, if any, of (a) the sum of the amount of cash plus the fair market value of the Marin shares received by you in the merger, over (b) your tax basis in your NorCal common stock. (The preceding sentence does not apply to any cash you receive in lieu of fractional Marin shares, the tax consequences of which are

discussed above under the subheading “– NorCal Shareholders Who Receive Only Marin Shares.”) Your recognized gain will be capital gain unless your receipt of cash has the effect of a distribution of a dividend, in which case your gain will be treated as ordinary dividend income to the extent of your ratable share of NorCal’s accumulated earnings and profits as

calculated for U.S. federal income tax purposes. For purposes of determining whether your receipt of cash has the effect of a distribution of a dividend, you will be treated as if you first exchanged all of your NorCal common stock solely for Marin shares and then Marin immediately redeemed a portion of the shares for the cash that you actually received in the merger. The IRS has indicated in rulings that any reduction in the interest of a minority stockholder that owns a small number of shares in a publicly and widely held corporation and that exercises no control over corporate affairs would receive capital gain (as opposed to dividend) treatment. In determining whether your receipt of cash has the effect of a distribution of a dividend, certain constructive ownership rules must be taken into account.

Your aggregate tax basis in the Marin shares received by you in the merger will equal your aggregate tax basis in your NorCal common stock, (1) reduced by (a) the portion of your tax basis in your NorCal common stock that is allocable to a fractional share of Marin common stock for which cash is received and (b) the amount of cash received by you in the merger, and (2) increased by the amount of gain (including any portion of such gain that is treated as a dividend as described above), if any, recognized by you in the merger (other than any gain recognized upon your receipt of cash in lieu of a fractional Marin share). Your holding period for the Marin shares received by you in the merger will include your holding period for your NorCal common stock.

Taxation of Capital Gain. Your gain or loss in connection with the merger will constitute capital gain or loss and will constitute long-term capital gain or loss if your holding period is greater than one year as of the date of the merger. For individual NorCal shareholders, this long-term capital gain generally will be taxed at a maximum U.S. federal income tax rate of 20%. The deductibility of capital losses is subject to limits. Beginning in 2013, capital gain income of individuals, estates and certain trusts with income at or above a certain threshold will be subject to an additional 3.8% Medicare tax.

The foregoing discussion is not intended to be a complete analysis or description of all potential federal income tax consequences of the merger. In addition, the discussion does not address tax consequences which may vary with, or are contingent on, your individual circumstances. Moreover, the discussion does not address any non-income tax or any foreign, state or local tax consequences of the merger. Accordingly, you are strongly urged to consult with your tax advisor to determine the particular federal, state, local or foreign income or other tax consequences to you of the merger.

Accounting Treatment

It is anticipated that the merger will be accounted for as a business combination using the acquisition method of accounting for financial reporting purposes. Under this method of accounting, the assets and liabilities of the company acquired are recorded at their respective fair values as of the date of completion of the merger, and are added to those of the acquiring company. Financial statements of the acquiring company issued after the merger takes place reflect these values, but are not restated retroactively to reflect the historical financial position or results of operations of the company that was acquired.

Dissenters' Rights

If you do not vote your NorCal shares in favor of the proposal to approve the merger agreement and you remain a holder of NorCal common stock at the effective time of the merger, you will, by complying with the procedures set forth in Chapter 13 of the California General Corporation Law, be entitled to receive an amount in cash equal to the fair market value of your shares as of July 1, 2013, the last trading day before the public announcement of the acquisition. Such fair market value will be determined in accordance with such statute.

The high bid and low ask price for NorCal on July 1, 2013 was \$2.75 and \$2.66 per share, respectively. The closing price on July 1, 2013, which was the last trading day before the public announcement of the acquisition during which

there were trades of NorCal stock, was \$2.66

A copy of Chapter 13 of the California General Corporation Law is attached hereto as Appendix C. You should read it for more complete information concerning dissenters' rights. The discussion in this section is qualified in its entirety by reference to Appendix C. THE REQUIRED PROCEDURE SET

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FORTH IN CHAPTER 13 OF THE CALIFORNIA GENERAL CORPORATION LAW MUST BE FOLLOWED EXACTLY OR ANY DISSENTERS' RIGHTS MAY BE LOST.

In order to be entitled to exercise dissenters' rights, you must not vote for the merger. Thus, if you wish to dissent and you execute and return a proxy in the accompanying form, you must specify that your shares are to be either voted "AGAINST" or "ABSTAIN" on Proposal I. If you return a proxy without voting instructions or with instructions to vote "FOR" Proposal I, your shares will automatically be voted in favor of the merger and you will lose your dissenters' rights.

If the merger is approved by the shareholders, NorCal will have 10 days after the approval to send to those shareholders who did not vote in favor of the merger a written notice of such approval accompanied by:

- a copy of Chapter 13 of the California General Corporation Law,
- a statement of the price determined to represent the fair market value of the dissenting shares as of July 1, 2013, and
- a brief description of the procedure to be followed if a shareholder desires to exercise dissenters' rights.

Within 30 days after the date on which the notice of the approval of the acquisition is mailed, the dissenting shareholder who plans to exercise dissenters' rights must make written demand upon NorCal for the purchase of dissenting shares and payment to such shareholder of their fair market value. The written demand must specify the number of shares held of record by such shareholder and a statement of what the shareholder claims to be the fair market value of those shares as of July 1, 2013. At the same time, the shareholder must surrender, at the office designated in the notice of approval, the certificates representing the dissenting shares to be stamped or endorsed with a statement that they are dissenting shares or to be exchanged for certificates of appropriate denomination so stamped or endorsed. Any shares of NorCal common stock that are transferred prior to their submission for endorsement lose their status as dissenting shares.

PLEASE NOTE THAT YOU WILL NOT BE ABLE AS A PRACTICAL MATTER TO BE BOTH A DISSENTING SHAREHOLDER AND PARTICIPATE IN THE SHAREHOLDER ELECTION PROCESS. IF YOU ATTEMPT TO PERFECT YOUR DISSENTERS' RIGHTS AND SUBSEQUENTLY CHANGE YOUR MIND, IT IS LIKELY THAT THE SHAREHOLDER ELECTION WILL HAVE ALREADY TERMINATED AND YOU WILL RECEIVE WHATEVER CONSIDERATION OTHER NON-ELECTING SHAREHOLDERS WILL RECEIVE UNDER THE PRORATION PROVISIONS.

If NorCal and the dissenting shareholder agree that the surrendered shares are dissenting shares and agree upon the price of the shares, the dissenting shareholder will be entitled to the agreed price with interest from the date of such agreement. The applicable interest rate will be the rate then set by law for the accrual of interest on judgments for money. That rate is currently 10% per annum simple interest (not compounded). Subject to the restrictions imposed under California law on the ability of a California corporation to repurchase its own shares, NorCal must pay the fair value of the dissenting shares within 30 days after the amount thereof has been agreed upon, or 30 days after any statutory or contractual conditions to the acquisition have been satisfied, whichever is later. The obligation to pay for the dissenting shares is subject to receipt of the certificates representing them.

If NorCal denies that the shares surrendered are dissenting shares, or if NorCal and the dissenting shareholder fail to agree upon a fair market value of such shares, then the dissenting shareholder must, within six months after the notice of approval is mailed, file a complaint in the Superior Court of the proper county requesting the court to make such determination(s) or intervene in any pending action brought by any other dissenting shareholder. If the complaint is not filed or intervention in a pending action is not made within the specified six-month period, the dissenter's rights are

lost. If the fair market value of the dissenting shares is

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at issue, the court will determine, or will appoint one or more impartial appraisers to determine, such fair market value.

A dissenting shareholder may not withdraw his or her dissent or demand for payment unless NorCal consents to such withdrawal.

IT IS A CONDITION TO THE ACQUISITION THAT NO MORE THAN 10% OF THE OUTSTANDING SHARES OF NORCAL COMMON STOCK EXERCISE DISSENTERS RIGHTS IN THIS MANNER.

Interests of Certain Persons in the Merger

When considering the recommendation of the NorCal board of directors, you should be aware that some NorCal directors and officers have interests in the merger that differ from the interests of other NorCal shareholders. These interests include:

Chairman James B. Davis, President Stephen G. Andrews, Chief Financial Officer Jeanette E. Reynolds, and Chief Lending Officer P. Troy Williams will, pursuant to certain contractual provisions with NorCal and Bank of Alameda, receive change in control payments of \$225,334, \$480,607, \$189,779, and \$213,917, respectively, immediately prior to the closing of the merger;

• certain officers and directors have stock options for which they will receive the economic value based on the merger price;

• Director Kevin Kennedy will be added to the board of directors of Marin at the effective time of the merger;

• directors and officers have continuing indemnification protections and some continuing insurance protection; and

• President Stephen G. Andrews has entered into a letter agreement with Bank of Marin which, among other things, provides him a guaranteed salary of \$19,378 per month for six months following the merger as East Bay Market President.

The NorCal board of directors was aware of these interests and considered them before approving the merger agreement.

The Merger Agreement

The following is a summary of selected provisions of the merger agreement. While Marin and NorCal believe this description covers the material terms of the merger agreement, it may not contain all of the information that is important to you and is qualified in its entirety by reference to the merger agreement, which is incorporated by reference in its entirety into, and is attached as Appendix A to, this document. You are urged to read the merger agreement in its entirety.

The merger agreement contains representation, warranties, covenants and other agreements that Marin and NorCal made to each other. The assertions embodied in those representations, warranties and other agreements are qualified by information in confidential disclosure schedules that Marin and NorCal have exchanged in connection with signing the merger agreement. The disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations, warranties, covenants and other agreements set forth in the attached merger agreement. Neither Marin nor NorCal believes that the disclosure schedules contain information that the securities laws require either or both of them to publicly disclose other than information that has already been so disclosed. Moreover, information concerning the subject matter of the representations, warranties, covenants and other agreements may have changed since the date of the merger agreement, which subsequent information may or may not be fully reflected in the companies' public disclosures.

The Merger. Upon the terms and subject to the conditions set forth in the merger agreement, NorCal will merge with and into Marin, with Marin as the surviving entity. The separate corporate existence of NorCal, with all its rights, privileges, immunities, power and franchises, will cease.

Immediately subsequent to the merger, Bank of Alameda, a California state bank and wholly owned subsidiary of NorCal, will merge with and into Bank of Marin, a California state bank and wholly owned subsidiary of Marin.

Effective Time. The effective time of the merger shall occur upon the filing of the agreement of merger with the California Secretary of State or on such date as may be specified therein.

Closing and Effect of the Merger. The closing of the merger will occur no later than the third business day after the satisfaction or waiver of the conditions provided in the merger agreement, except for those conditions that by their nature are to be satisfied at the closing (but subject to the fulfillment or waiver of those conditions), or on such other date as Marin and NorCal may agree in writing. See “—Conditions to Consummation of the Merger.”

Surviving Corporation's Governing Documents, Officers and Directors.

Surviving Corporation Governing Documents. At the effective time of the merger, the articles of incorporation and bylaws of Marin will be the articles of incorporation and bylaws of the surviving corporation as they exist immediately before the effective time, in each case until thereafter changed or amended as provided therein or by applicable laws

Surviving Corporations Officers and Directors. After the merger the boards of directors of the Marin and Bank of Marin will consist of twelve members. The twelve members will be made up of eleven directors from Marin's current board and one director from NorCal's current board. Those twelve individuals will be: (a) Joel Sklar, (b) Russell A. Colombo, (c) Thomas M. Foster, (d) Robert Heller, (e) Norma J. Howard, (f) Stuart D. Lum, (g) William H. McDevitt, (h) Michaela Rodeno, (i) Brian M. Sobel (j) J. Dietrich Stroeh (k) Jan Yanehiro and (l) Kevin Kennedy.

The following senior executive officers will serve Marin and Bank of Marin in the positions noted: Russell A. Colombo, President and Chief Executive Officer. Reporting to Mr. Colombo will be Kevin K.

Coonan as Chief Credit Officer, Peter Pelham as Director of Retail Banking and Elizabeth Reizman as Senior Credit Administrator. Marin recently announced the appointment of Tani Girton as Chief Financial Officer of Marin and Bank of Marin, effective on September 3, 2013.

Marin is currently evaluating whether it will retain any Senior Executive Officers from NorCal and if so, which positions they will hold. Marin has entered into a letter agreement with Stephen G. Andrews, the President and Chief Executive Officer of NorCal, wherein it is anticipated that Mr. Andrews will be appointed as the East Bay Market President. Lower level positions are in the process of being evaluated and determined.

Merger Consideration.

Conversion of NorCal Common Stock. At the effective time of the merger, each share of NorCal common stock issued and outstanding immediately prior to the effective time will be converted into and become exchangeable for the right to receive either Marin common stock or cash as described under “Exchange Ratio,” together with the right, if any, to receive cash in lieu of fractional shares of Marin common stock. See “—Fractional Marin Common Stock” below.

Marin Common Stock. Each outstanding share of Marin common stock will remain an outstanding share of Marin common stock and will not be converted or otherwise affected by the merger. For more information regarding Marin common stock, see “Marin Common Stock.”

Rights as Shareholders of NorCal. At the effective time, holders of NorCal common stock will cease to be, and will have no rights as, shareholders of NorCal other than to receive the merger consideration.

Election and Exchange Procedures. The exchange agent will provide appropriate transmittal materials to holders of record of NorCal common stock, advising such holders of the procedure for making their election and surrendering their stock to the exchange agent. See, “Election Procedure.”

Upon the surrender of the shares of NorCal common stock, the holder will be entitled to receive in exchange therefor:

(1) a certificate representing the number of whole shares of Marin common stock that such holder is entitled to receive pursuant to the merger, and/or (2) a check in the amount, after giving effect to any required tax withholdings, in an amount that such holder is entitled to receive pursuant to the merger, as described in “—Conversion of NorCal Common Stock” above; and
a check in the amount, after giving effect to any required tax withholdings, of any cash payable in lieu of fractional shares.

For purposes of dividends, all shares of Marin common stock to be issued pursuant to the merger will be deemed issued and outstanding as of the effective time of the merger. Whenever a dividend or other distribution is declared by Marin in respect of Marin common stock, the record date for which is at or after the effective time of the merger, that declaration will include dividends or other distributions in respect of all shares of Marin common stock issuable pursuant to the merger agreement. No dividends or other distributions in respect of Marin common stock shall be paid to any holder of any unsurrendered shares of NorCal common stock until the unsurrendered shares of NorCal common stock are surrendered for exchange. See, “Summary - Dividends After the Merger.”

Fractional Marin Common Stock. No fractional shares of Marin common stock will be issued to any shareholder of NorCal upon completion of the merger. For each fractional share that would otherwise be issued, Marin will pay cash in an amount equal to the fraction of a share of Marin common stock which the

holder would otherwise be entitled to receive multiplied by the average closing price of Marin common stock. No interest will be paid or accrue on cash payable to holders of those certificates in lieu of fractional shares.

Treatment of Stock Options. At the effective time of the merger, the NorCal equity incentive plan will terminate.

Prior to the effective time of the merger, a holder of a NorCal stock option shall be permitted to exercise any options granted under the NorCal equity incentive plan in accordance with the terms of that plan. NorCal will facilitate the exercise of those options by allowing those options to be exercised and taxes paid by NorCal or holder as permitted by applicable law.

For options not exercised prior to the effective time of the merger, each optionee shall receive an amount in cash, without interest, from NorCal equal to the product of (x) the total number of shares subject to the NorCal stock option times (y) the excess, if any, of \$3.01 over the exercise price per share under such NorCal Stock Option less applicable taxes required to be withheld with respect to such payment.

For restricted stock awards which the applicable restrictions shall not have lapsed, each award shall be cancelled and shall only entitle the holder thereof to receive from NorCal, immediately prior to the effective time, an amount in cash, without interest, equal to (x) the number of shares subject to such award immediately prior to the effective time times (y) \$3.01 (or, if the award provides for payments to the extent the value of the shares exceed a specified reference price, the amount, if any, by which \$3.01 exceeds such reference price), less applicable taxes required to be withheld with respect to such payment.

Representations and Warranties. The merger agreement contains substantially similar representations and warranties of Marin and NorCal as to, among other things:

- corporate organization and existence;
- capitalization;
- corporate power and authority;
- no conflicts, required filings, third party consents and governmental approvals required to complete the merger;
- availability, accuracy and compliance with generally accepted accounting principles of financial reports and filings with regulatory authorities;
- no broker's or finder's fees, except as contemplated by the merger agreement
- timely filing of required regulatory reports and absence of regulatory investigations or restrictive agreements with regulators;
- absence of litigation;
- compliance with laws and permits; and
- tax matters.

In addition, the merger agreement contains further representations and warranties of NorCal as to, among other things:

- validity of, and the absence of defaults under, certain contracts;
- employee benefit matters;
- labor matters;
- environmental matters;
- interest rate risk management instruments, such as swaps and options;
- proper and accurate maintenance of books and records;
- insurance coverage;
- adequacy of its allowance for loan losses under established regulatory and accounting standards;

transactions with affiliates;

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- condition and title to real and personal property;
- the absence of a trust business;
- intellectual property; and
- affiliate ownership of shares.

Conduct of Business of NorCal Pending the Merger. Prior to the effective time, except as expressly contemplated by the merger agreement, NorCal has agreed that, without the consent of Marin, it will not and will cause its subsidiaries not to, among other things:

Ordinary Course of Business; Adverse Effects

- conduct its business other than in the ordinary and usual course of business;
- fail to use its reasonable best efforts to preserve its business organization and assets intact and maintain its rights, franchises and existing relations and goodwill with customers, suppliers, creditors, lessors, lessees, employees and business associates;
- take any action that would adversely affect or delay the ability of NorCal or Marin to perform any of their obligations under the merger agreement;
- take any action that would be reasonably likely to have a material adverse effect on NorCal;
- take any action which is intended, or would reasonably be expected to, impede, delay or, adversely affect the ability of NorCal or its subsidiaries to consummate the merger and the other transactions contemplated by the merger agreement; or
- take any action which is intended, or would reasonably be expected to, diminish the value of NorCal or its goodwill to Marin or otherwise disparage Marin or any of its officers, employees or directors.

Capital Stock

- issue, sell, pledge, dispose of, encumber, permit to become outstanding or authorize the creation of any shares of capital stock or any rights; or
- permit any additional shares of capital stock of NorCal or any of its subsidiaries to become subject to grants of employees or director stock options, other rights or similar stock-based employee rights.

Dividends and Stock Repurchases

- make, declare, pay or set aside for payment any dividend payable in cash, stock or property on its capital stock, except for dividends paid by any direct or indirect wholly-owned subsidiary of NorCal to NorCal; or
- directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire any shares of its capital stock.

Compensation

- enter into, amend or renew any employment, consulting, severance or similar agreements or increase in any manner the compensation or benefits of any of its employees or directors, except for:
 - normal increases for employees made in the ordinary course of business consistent with past practice, provided that no increase shall result in an annual adjustment of more than 5% or other changes required by applicable law; or
 - grant or approve the grant of any stock options or awards under NorCal's stock option plans.

Hiring

- hire any person as an employee of NorCal or any of its subsidiaries or promote any employee except:
 - o to fill a vacancy with an employee whose employment is terminable at will; and
 - o to fill any vacancy with a new employee whose base salary and bonus do not exceed \$50,000 on an annual basis.

Benefit Plans

- enter into, terminate, establish, adopt or amend any benefit plans or take any action to accelerate the vesting, accrual or fund or in any way secure payment of or exercisability of stock options, restricted stock, or other compensation or benefits payable thereunder;
- amend or modify any NorCal option plan or enter into, amend or modify any option or award agreement under any stock option plan or take any other action which has the effect of increasing NorCal's obligations or liabilities pursuant to any stock option plan.

Dispositions

sell, transfer, lease, license, guarantee, mortgage, pledge, encumber or otherwise create any lien on, dispose of or discontinue any of its assets, deposits, business or properties other than:
o sales of loans and loan participations;
o sale or disposition of property acquired in foreclosure or by transfer in lieu of foreclosure (“OREO”); and
o other sales or dispositions in the ordinary course of business consistent with past practice and in a transaction that together with all other such transactions is not material to NorCal and its subsidiaries, taken as a whole.

Acquisitions

acquire, other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted, each in the ordinary course of business consistent with past practice, all or any portion of the assets, business, deposits or properties of any other person except: