

**BANK OF NAPA, N.A.**

**Important Notice Regarding the Availability of Proxy Material for the Shareholder Meeting to Be Held at 10 a.m., May 15, 2008**

**1. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all the important information contained in the proxy materials before voting.**

**2. The proxy statement and annual report on Form 10-KSB are available at:**  
[www.cfpproxy.com/6070](http://www.cfpproxy.com/6070)

**3. If you want to receive a paper or e-mail copy of these documents, you must request one. There is no charge to you for requesting a copy. Please make your request for a copy as instructed below on or before May 5, 2008 to facilitate timely delivery.**

This notice also serves as the Bank's notice of its annual shareholder meeting. The annual shareholder meeting will be held at 10 a.m. on May 15, 2008 at the Bank's office, 2007 Redwood Road, Suite 101, Napa, California 94558. The matters to be voted upon are noted below:

1. Election of Directors
2. Ratification of the selection of Moss Adams LLP as auditors for the Bank for 2008.
3. Other matters as may properly be put forth at the meeting.

**The Board of Directors of Bank of Napa, N.A. recommends voting for the above proposals.**

If you wish to vote on-line or by phone, you will need your Shareholder Control Number which can be located in the bottom right hand corner of this notice and the web address and toll-free phone number, both of which will be included on the proxy card. No other personal information will be required in order to vote in this manner. You may vote on-line, by phone, by mail or in person. Shortly, you will receive a proxy card that will reflect the proposals to be voted on at the Annual Meeting. If you wish to vote by mail, simply cast your vote on the proxy card you will receive and sign and return in the accompanying Business Reply Envelope. If you wish to vote in person at the Annual Meeting, simply check the box on the proxy card indicating that you plan to attend the Annual Meeting. We ask that you cast your vote promptly. Thank you for your continued support!

**To request a paper copy of the proxy statement or annual report on Form 10-KSB items, either:**

- Call our toll-free number, (800) 951-2405; or
- Visit our website at [www.cfpproxy.com/6070](http://www.cfpproxy.com/6070); or
- Send us an email at [fulfillment@rtco.com](mailto:fulfillment@rtco.com)

**Please clearly identify the materials that you are requesting, the company name, address and address to which the material should be mailed.**

## Notice of Annual Meeting of Shareholders

The Annual Meeting of Shareholders of Bank of Napa, N.A. (the "Bank") will be held at the Bank's office, 2007 Redwood Road, Suite 101, Napa, California 94558 at 10a.m. on May 15, 2008, for the following purposes:

1. To elect the following four nominees to serve as Class II directors (the entire Class) of the Bank for three-year terms until the 2011 Annual Meeting of Shareholders and until their successors shall be elected and qualified:

Greg Alan Bennett	Joseph F. Malato
Malcolm Alison Mackenzie	Lisa Renee Paul

2. To ratify the selection of Moss Adams LLP, independent certified public accountants, to serve as the Bank's auditors for the fiscal year ending December 31, 2008.
3. To consider and transact such other business as may properly be brought before the meeting.

Shareholders of record at the close of business on March 17, 2008 are entitled to notice of and to vote at the meeting.

Provisions of the By-Laws of the Bank govern nominations for election of members of the Board of Directors, as follows:

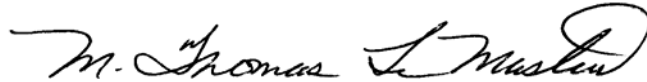
Nominations for election to the board of directors may be made by the board of directors or by any stockholder of any outstanding class of capital stock of the association entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing management of the association, shall be made in writing and shall be delivered or mailed to the chief executive officer of the association not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors, provided, however, that if less than 21 days notice of the meeting is given to shareholders, such nomination shall be mailed or delivered to the chief executive officer of the association not later than the close of business on the seventh day following the day on which the notice of meeting was mailed. Such notification shall 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 total number of shares of capital stock of the association that will be voted for each proposed nominee; (d) the name and residence address of the notifying shareholder; (e) the number of shares of capital stock of the association owned by the notifying shareholder. Nominations not made in accordance herewith may, in his/her discretion, be disregarded by the Chairperson of the meeting, and upon his/her instructions, the vote tellers may disregard all votes cast for each such nominee.

As part of our efforts to cut unnecessary expenses and conserve the environment, Bank of Napa, N.A. has elected to provide Internet access to the proxy statement and annual report rather than mailing paper reports. This reduces postage and printing expenses and paper waste. All shareholders are cordially invited to attend the meeting in person. You may vote on-line, by phone, by mail or in person. If you wish to vote on-line or by phone, you will need your Shareholder Control Number which can be located in the bottom right hand corner of this notice and the web address and toll-free phone number, both of which will be included on the proxy card. No other personal

information will be required in order to vote in this manner. If you wish to vote by mail, simply cast your vote on the proxy card you will receive and sign and return in the accompanying Business Reply Envelope. If you wish to vote in person at the Annual Meeting, simply check the box on the proxy card indicating that you plan to attend the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in cursive script that reads "M. Thomas LeMasters".

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M. Thomas LeMasters  
President and Chief Executive Officer,  
Chief Financial Officer and Secretary

April 1, 2008  
Napa, California

WHETHER OR NOT YOU PLAN TO ATTEND THIS MEETING,  
PLEASE SIGN AND RETURN THE ENCLOSED PROXY  
AS PROMPTLY AS POSSIBLE IN THE ENCLOSED  
POSTAGE-PAID ENVELOPE

**BANK OF NAPA, N.A.  
2007 REDWOOD ROAD, SUITE 101  
NAPA, CALIFORNIA 94558  
(707) 257-7777**

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**PROXY STATEMENT  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 15, 2008 AT 10 A.M.**

**INTRODUCTION**

This Proxy Statement is furnished in connection with the solicitation of proxies for use at the Annual Meeting of Shareholders (the "Meeting") of Bank of Napa, N.A. (the "Bank") to be held at the Bank's office, 2007 Redwood Road, Suite 101, Napa, California 94558 at 10:00 a.m., on Thursday, May 15, 2008, and at any and all adjournments thereof. The solicitation of the proxy accompanying this Proxy Statement is made by the Board of Directors of the Bank and the costs of such solicitation will be borne by the Bank.

It is expected that this Proxy Statement and accompanying Notice will be mailed to shareholders on approximately April 1, 2008.

The matters to be considered and voted upon at the Meeting will be:

1. **Election of Directors.** To elect four persons to the Board of Directors as Class II directors (the entire Class) to serve three year terms until the Bank's 2011 Annual Meeting of Shareholders and until their successors are elected and have qualified.
2. **Ratification of Auditors.** To ratify the selection of Moss Adams LLP, independent certified public accountants, to serve as the Bank's auditors for the fiscal year ending December 31, 2008.
3. **Other Business.** To transact such other business as may properly come before the Meeting and at any and all adjournments thereof.

A Proxy for use at the Meeting is enclosed. Any shareholder who executes and delivers such Proxy has the right to revoke it at any time before it is exercised by filing with the Secretary of the Bank an instrument revoking it or a duly executed proxy bearing a later date, or by attending the Meeting and voting in person. Subject to such revocation, all shares represented by a properly executed Proxy received in time for the Meeting will be voted by the Proxy Holders in accordance with the instructions on the Proxy. If no instruction is specified with respect to a matter to be acted upon, the shares represented by the Proxy will be voted in favor of (i) the election of the nominees for directors set forth herein, and (ii) ratification of the selection of Moss Adams LLP as independent auditors for the year ending December 31, 2008. Proxy Holders will have discretionary authority to vote on other matters that may come before the meeting and for adjournments of the Meeting to a later time or date for the purpose of soliciting additional proxies on any of the proposals, except that a proxy will not be voted in favor of

adjournment for the purpose of soliciting additional proxies on any proposal on which the proxy specifies a vote “against” or “withhold.”

The expenses of preparing, assembling, printing and mailing this Proxy Statement and the materials used in this solicitation of Proxies will be borne by the Bank. It is contemplated that Proxies will be solicited through the mails, but officers, directors and regular employees of the Bank may solicit Proxies personally. Although there is no formal agreement to do so, the Bank may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding these proxy materials to shareholders whose stock in the Bank is held of record by such entities. In addition, the Bank may use the services of individuals or companies it does not regularly employ in connection with this solicitation of Proxies, if Management determines it advisable.

### **VOTING SECURITIES**

The Bank had 2,288,884 shares of the Bank’s Common Stock, par value \$5.00 per share, issued and outstanding as of March 17, 2008 which has been set as the record date for the purpose of determining the shareholders entitled to notice of and to vote at the Meeting.

Each shareholder will be entitled to one vote, in person or by proxy, for each share of Common Stock standing in his or her name on the books of the Bank as of the record date for the Meeting on any matter submitted to the vote of the shareholders, except that in connection with the election of directors, the shares are entitled to be voted cumulatively. Cumulative voting entitles a shareholder to give one nominee as many votes as is equal to the number of directors to be elected multiplied by the number of shares owned by such shareholder, or to distribute his or her votes on the same principle between two or more nominees as he or she deems appropriate. The four candidates receiving the highest number of votes will be elected. Votes represented by Proxies delivered pursuant to this Proxy Statement may be cumulated in the discretion of the Proxy Holders, in accordance with the recommendations of the Board of Directors.

The ratification of the selection of Moss Adams as independent auditors for the year ending December 31, 2008, requires the affirmative vote of at least a majority of the votes cast at the meeting, assuming a quorum representing a majority of all outstanding voting stock of the Bank is present, either in person or by proxy. 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. Broker non-votes and abstentions will have no effect on the election of directors. In determining whether the requisite shareholder approval has been received for the ratification of the selection of Moss Adams LLP as independent accounts for the year ending December 31, 2008, broker non-votes and abstentions will have no effect, unless the number of votes in favor is less than a majority of the required quorum, in which case non-votes and abstentions will have the same effect as a vote against the matter.

### **PRINCIPAL SHAREHOLDERS**

Management knows of no person who owns beneficially more than five percent of the outstanding shares of Common Stock of the Bank.

— PROPOSAL 1 —

**ELECTION OF DIRECTORS**

The Bank's By-laws provide for a classified or staggered Board of Directors, with the number of directors in each class to be as nearly equal in number as possible. There are four Class I directors whose terms expire at the 2010 annual meeting ; there are five Class II directors whose terms expire at the 2008 annual meeting; and there are three Class III directors whose terms expire at the 2009 annual meeting. Effective as of the Meeting, the number of Class II directors will be reduced from five to four.

At the Meeting, four Class II directors will be elected to serve three year terms until the 2011 annual meeting or until their successors are elected and have been qualified. The four persons named below, all of whom are presently members of the Board of Directors of the Bank, have been nominated for election to serve as the four Class II directors. Votes will be cast pursuant to the enclosed Proxy in such a way as to effect the election of these four nominees, or as many thereof as possible under the rules of cumulative voting. In the event any of the nominees should be unable to serve as a director, it is intended that the Proxy will be voted for the election of such substitute nominees, if any, as shall be designated by the Board of Directors. Management has no reason to believe that any nominee will be unable to serve.

**Nominees for Director**

The following table sets forth certain information, as of March 15, 2008 with respect to (a) the four directors nominated by the Board of Directors for election as Class II directors, and (b) other members of the Board of Directors whose terms do not expire at the 2008 Annual Meeting.

Names and Offices Held With Bank	Age	Class	Year term ends	Principal Occupation For Past Five Years
<b><u>Nominees for terms to expire at the 2011 Annual Meeting</u></b>				
Greg Alan Bennett Director	51	II	2011	Certified Public Accountant and Managing Partner, G&J Seirberlich & Co, LLP, a public accounting firm
Malcolm Alison Mackenzie Director	62	II	2011	Managing Partner, Coombs & Dunlap, LLP, a law firm
Joseph F. Malato Director	65	II	2011	President, Opus Financials since 2005; President and CEO, Innovative Bank, from 2004 to 2005; previously, Chief Financial Officer, Innovative Bank

Names and Offices Held With Bank	Age	Class	Year term ends	Principal Occupation For Past Five Years
Lisa Renee Paul Director	44	II	2011	President and Chief Executive Officer of Paul Hanson Insurance Services

**Directors whose terms expire at the 2009 Annual Meeting**

Richard Neal Anderson Director	62	III	2009	Retired Executive Vice President of Manufacturing for Valassis Communications, a marketer of printed promotional materials
M. Thomas LeMasters President and Chief Executive Officer, Chief Financial Officer and Director	50	III	2009	President and Chief Executive Officer (since 2008) and Chief Financial Officer (since 2006), Bank of Napa; Controller, Caymus Vineyards, 2004 to 2005; Executive Vice President and Chief Financial Officer, Bank of Marin, from 2000 to 2004
Douglas Kent Payne Director	64	III	2009	Real estate developer; retired municipal administrator

**Directors whose terms expire at the 2010 Annual Meeting**

John Konstantinos Meras Director	73	I	2010	Retired insurance agent
Ernest LeRoy Moore Director	74	I	2010	President and owner of Exertec Health Fitness Center
Harold Irving Moskowitz Director	81	I	2010	Owner of Moss Creek Vineyards and Winery. Member of the Napa County Board of Supervisors since 2005.
Ernest Anthony Rota Director	83	I	2010	Owner of Claffey and Rota Funeral Home

Each of the Bank's directors has served on the Board of Directors since the Bank was organized in December 2006.

There are no family relationships among any of the Bank's Executive Officers, directors or director nominees.

The Board of Directors has determined that all directors except M. Thomas LeMasters meet NASDAQ's requirements for independence of directors. NASDAQ rules require that a

majority of the Board consist of independent directors, and the Bank's Board meets this requirement.

No director or nominee chosen by the Board of Directors is a director of any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act"), or subject to the requirements of Section 15(d) of such Act or of any company registered as an investment company under the Investment Company Act of 1940.

During 2007, the Bank's Board of Directors met 17 times for regularly scheduled and special meetings. Each director attended at least 75 percent of the aggregate of: (i) the total number of meetings of the Board of Directors; and (ii) the total number of meetings of board committees on which that director served except for Joseph F. Malato, whose prolonged illness prevented him from attending some meetings. The Bank's policy is that all directors should attend the Annual Meeting unless good cause prevents their attendance. In 2007, all of the Bank's directors attended Annual Meeting of Shareholders.

### **Executive Officers Of The Bank**

Information with respect to M. Thomas LeMasters, the Bank's President, Chief Executive Officer and the Chief Financial Officer, is set forth above.

### **Security Ownership Of Management**

The following table sets forth information as of the record date for the Meeting pertaining to beneficial ownership of the Bank's Common Stock (the sole class of stock outstanding) of nominees to be elected to the Board of Directors, current directors of the Bank whose terms expire in 2009 and 2010, and all directors and officers of the Bank as a group.

<u>Names</u>	<u>Number of Shares<sup>2</sup></u>	<u>Exercisable Options</u>	<u>Total No. of Shares Beneficially Owned</u>	<u>Percentage of Shares Outstanding</u>
Richard Neal Anderson Director	40,000		40,000	1.75% <sup>3</sup>
Greg Alan Bennett Director	16,100		16,100	0.70% <sup>4</sup>
M. Thomas LeMasters President and Chief Executive Officer, Chief Financial Officer and Director	13,000	10,000	23,000	1.00%
Malcolm Alison Mackenzie Director	20,000		20,000	0.87%
Joseph F. Malato Director	1,000		1,000	0.04%
John Konstantinos Meras Director	13,000		13,000	0.57%

<u>Names</u>	<u>Number of Shares<sup>2</sup></u>	<u>Exercisable Options</u>	<u>Total No. of Shares Beneficially Owned</u>	<u>Percentage of Shares Outstanding</u>
Ernest LeRoy Moore Director	25,000		25,000	1.09% <sup>5</sup>
Harold Irving Moskowitz Director	25,600		25,600	1.12%
Lisa Paul Director	22,177		22,177	.97% <sup>6</sup>
Douglas Kent Payne Director	31,000		31,000	1.35%
Ernest Anthony Rota Director	15,000		15,000	0.66%
All Directors and Executive Officers as Group (13 persons)	222,377	46,666	269,043	11.75%

1. As used throughout this Proxy Statement, the term “executive officer” means the former President and Chief Executive Officer, the President Chief Executive Officer and Chief Financial Officer, and the former Chief Credit Officer.
2. Except as otherwise noted, may include shares held by or with such person’s spouse (except where legally separated) and minor children; shares held by any other relative of such person who has the same home; shares held by a family trust as to which such person is a trustee with sole voting and investment power or shared power with a spouse); shares held in street name for the benefit of such person; or shares held in an Individual Retirement Account or pension plan as to which such person has pass-through voting rights and investment power. Does not include shares which may be acquired upon the exercise of stock options.
3. Includes 4,500 shares held by Mr. Anderson’s spouse.
4. Includes 1,000 shares held by Mr. Bennett’s spouse.
5. Includes 25,000 shares held as trustee of a family trust.
6. Includes 15,977 shares held in Ms. Paul’s 401(k) Plan, 1,000 shares held by each of four of her children and 2,200 shares held as trustee of a family trust.

## **Committees of the Board of Directors**

### **Audit Committee**

The members of the Audit Committee are Greg Alan Bennett (Committee Chairman), John Konstantinos Meras, and Ernest Anthony Rota. All Audit Committee members would be deemed independent under Rule 4200(a)(15) and Rule 4350(d)(2)(A) of NASDAQ’s listing standards.

The principal duties of the Audit Committee are the following: (i) select the Bank’s independent registered public accounting firm; (ii) meet with the independent registered public accounting firm to review and approve the scope of their audit engagement and the fees related to such work; (iii) meet with the Bank’s financial management, internal audit management and

independent registered public accounting firm to review matters relating to internal accounting controls, the internal audit program, the Bank's accounting practices and procedures and other matters relating to the financial condition of the Bank; and (iv) periodically report to the Board any conclusions or recommendations that the Audit Committee may have with respect to such matters. The Audit Committee met eight times during 2007.

The Bank's Board of Directors has determined that the Bank has one audit committee financial expert, Greg Bennett, serving on its Audit Committee. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the audit committee and Board of Directors in the absence of such designation or identification.

The Committee has a charter. A copy of the charter is included as Appendix A to the Bank's proxy statement for its 2008 Annual Meeting of Shareholders.

### **Audit Committee Report**

The Audit Committee has reviewed and discussed the audited financial statements with management. The Audit Committee has discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), as adopted by the Public Company Accounting Oversight Board, and has discussed with the independent accountant the independent accountant's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Bank's annual report on Form 10-KSB.

Greg Bennett, Chairman  
John Konstantinos Meras  
Ernest Anthony Rota

### **Loan Committee**

The members of the Loan Committee are Lisa Renee Paul (Committee Vice-Chairperson), Harold Irving Moskowitz, and Joseph F. Malato.

The Loan Committee is responsible for the approval and supervision of loans and the development of the Bank's loan policies and procedures. The Loan Committee met eight times during 2007.

### **Nominating and Corporate Governance Committee**

The members of the Nominating and Corporate Governance Committee are Malcolm Alison Mackenzie (Committee Chairman), Lisa Paul (Committee Vice-Chairperson), and Harold

Moskovite . The principal duties of the Committee are to identify and review candidates for the Board of Directors, to review the appropriate skills and characteristics required of Board members in consultation with the Chairman and Chief Executive Officer, and to recommend director nominees to the Board. The Committee also , evaluates Board performance and the structure of Board committees, and ensures that the Bank has sound governance. The Nominating and Corporate Governance Committee met five times during 2007.

The Committee will consider director candidates nominated by shareholders. Nominations should include, at a minimum, the information required by the Bank's bylaws and set forth in the accompanying Notice of 2008 Annual Meeting. For a proposed nominee to be considered for inclusion in the Bank's proxy statement, nominations should be received at least 120 days before the anniversary of the mailing of the proxy statement for the previous year's annual meeting. Nominations should be addressed to Bank of Napa, N.A., 2007 Redwood Road, Suite 101, Napa, California 94558, Attention: Nominating and Corporate Governance Committee. The Committee believes nominees should, among other desirable qualities, be respected members of the community, have demonstrated some success in their own business or career, have an understanding of the business and regulation of banking and have the desire and ability to commit the necessary time and effort to discharge the duties of a director of a recently formed public company.

All of the nominees for election as Class II directors played instrumental roles in the Bank's organizational efforts and made substantial investments in the Bank's common stock.

The Committee has a charter. A copy of the charter was included as Appendix A to the Bank's proxy statement for its 2007 Annual Meeting of Shareholders.

### **Compensation Committee**

The members of the Compensation Committee are Ernest LeRoy Moore (Committee Chair), Greg Bennett and Malcolm Alison Mackenzie. The Committee evaluates and recommends to the Board of Directors salary and other compensation for the Bank's chief executive officer and the other executive officers. The Committee has delegated to executive management the responsibility for the determination of compensation of non-executive officers of the Bank. The Bank's policy is to offer competitive compensation in view of its status as a newly formed company. The Committee met six times in 2007. The Committee has the authority to engage outside advisers as it deems appropriate.

The Committee has a charter. A copy of the charter was included as Appendix B to the Bank's proxy statement for its 2007 Annual Meeting of Shareholders.

### **Compensation Committee Interlocks and Insider Participation**

No member of our Compensation Committee serves as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving as members of our Board of Directors or Compensation Committee.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires executive officers, directors, and persons who beneficially own more than 10 percent of the stock of the Bank to file initial reports of ownership and reports of changes in ownership. Such persons are also required by S.E.C. regulations to furnish the Bank with copies of these reports. Based solely on a review of the copies of such reports furnished to the Bank, the Bank believes that during 2007 its executive officers, directors, and beneficial owners of more than 10 percent of the stock complied with all applicable filing requirements of Section 16(a).

## EXECUTIVE COMPENSATION

The following information is furnished with respect to each executive officer of the Bank whose aggregate compensation during 2007 exceeded \$100,000.

### Compensation Discussion and Analysis

The Compensation Committee establishes general compensation policies as well as the actual salary of the Bank's executive officers. The Committee is composed of three independent directors and meets a minimum of four times each year. Executive compensation is reviewed annually. Compensation for newly hired executives may be established by the Committee at a special meeting. In addition, the Committee oversees the benefit plans that cover all employees of the Bank.

The compensation policy of Bank of Napa is designed to attract and retain highly qualified personnel. The primary components of executive compensation include a base salary and awards made pursuant to the Bank's Equity Incentive Plan.

The Bank's general strategy is to pay annual compensation that is competitive with executives in similar positions at peer group companies, with consideration given to the Bank's growth in deposits and loans, overall financial condition and performance relative to Banks in similar positions. In determining compensation levels, the Committee obtains executive salary surveys from industry trade associations and may consult with independent compensation and benefit experts. The granting of stock options and other forms of equity incentive compensation is based on an officer's responsibilities and relative position in the Bank. The granting of stock options and other forms of equity incentive compensation is recommended by the Committee to the Board of Directors for approval.

### Summary Compensation Table

The following table provides summary information on all compensation to the persons who served as Chief Executive Officer or Chief Financial Officer during 2007 and those executive officers whose aggregate compensation during 2007 exceeded \$100,000.

Name and Principal Position	Year	Salary \$(1)	Bonus (\$)	Stock Awards (\$)	Option Awards \$(2)	All Other Compen- sation \$(6)	Total (\$)
LeMasters, M. Thomas, Interim President/CEO Chief Financial Officer(3)	2007	152,261	-0-		-0	4,200	156,461
	2006	121,500	-0-		225,000	7,044	353,544

McDonel, Donald R. Director, President and Chief Executive Officer(4)	2007	113,000	-0-		101,000	116,249	330,249
	2006	173,333	6,000		600,000	10,293	789,626
Brodie, Stephen, Executive Vice President and Chief Credit Officer(5)	2007	46,929	-0-		-0	76,278	123,207
	2006	121,733	4,000		200,000	7,213	332,946

1. Compensation in the salary column shown above for 2006 includes salary or payments under consulting agreements for the period before commencement of banking operations.
2. The option column shows amount recognized by the Bank under FAS 123R as compensation expense for the year on account of options that vested during the year.
3. Mr. LeMasters became the Bank's President and CEO on March 19, 2008
4. Mr. McDonel resigned from the Bank effective August 16, 2007.
5. Mr. Brodie resigned from the Bank effective May 17, 2007.
6. Includes severance payments paid to Mr. McDonel and Mr. Brodie.

### **Employment Agreement**

The Bank has entered into an employment agreement with Mr. LeMasters to serve as the Bank's Executive Vice President and Chief Financial Officer. Mr. LeMasters is also serving as the Bank's Interim President and Chief Executive Officer. The employment agreement has a three-year term and renews for successive one-year periods unless the Bank gives 90 days' notice of non-renewal. The agreement provides for an annual base salary of \$121,500 for the first 12 months of the term, \$128,790 for the second 12 months of the term and \$136,517 for the remaining 12 months of the term of the agreement. During Mr. LeMasters' tenure as Interim Chief Executive Officer his annual compensation was adjusted to \$180,000 per year and will now remain at this level as permanent President and CEO. Mr. LeMasters' salary will be reviewed no less than annually after the 12 twelve months of employment.

The agreement provides for Mr. LeMasters' participation in various employee benefit plans. It also calls for the Bank to issue Mr. LeMasters options to purchase 22,500 shares of Common Stock with the exercise price of the options to be set forth in a stock option agreement. The Bank has granted these options. The options have an exercise price of \$10.00 per share, vest in equal annual increments over three years, and have ten year terms. If Mr. LeMasters is terminated without cause (as defined in the agreement), he will be entitled to receive a severance payment equal to twelve months of his then current base salary. If either party terminates the agreement following a change of control of the Bank (as defined in the agreement), the Bank is obligated to pay Mr. LeMasters an amount equal to one times his highest annual base salary and bonuses paid to him in the three years preceding the termination.

During the term of the agreement and for a period of three years after expiration or termination, the agreement prohibits Mr. LeMasters from soliciting customers of the Bank,

operating or working for another financial institution, or establishing a financial institution within 50 miles of the Bank's main office or any branch of the Bank.

### Outstanding Equity Awards At 2007 Fiscal Year-End

The Bank has established an Equity Incentive Plan. Under the Equity Incentive Plan, stock awards may be granted covering up to 388,000 shares of common stock. The Equity Incentive Plan provides for the grant of stock awards to non-employee directors, consultants, officers, and employees of the Bank. The Equity Incentive Plan was approved by shareholders at the first meeting of shareholders in August 2006.

The following table provides information on stock options awards outstanding at December 31, 2007 and held by the named executive officers.

#### Option Awards

Name	Number of Securities Underlying Unexercised Options (#) Exercisable (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
Donald R. McDonel	26,666 10,000	33,334		10.00 10.10	11/10/2016 01/05/2017
M. Thomas LeMasters	10,000	12,500		10.00	11/10/2016

- The options vest and become exercisable with respect to one third of the underlying shares on each of the first three annual anniversaries of the Grant Date until all of the Shares have vested, subject to the optionee's continuous service.

#### Equity Compensation Plan Information

Plan category	No. of securities to be issued upon exercise of outstanding option, warrants and rights	Weighted average exercise price of outstanding option, warrants and rights	No. of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securities holders	388,000	\$9.72	268,500
Equity compensation plans not approved by security holders	N/A		

### **401(k) Plan and Other Benefits**

The Bank has established a 401(k) Plan for its employees. The Bank also makes available group medical insurance on terms comparable to similar benefits generally provided by community banks in California.

### **Director Compensation**

The directors received no fees for their attendance at board meetings and committee meetings or for performing other services during 2007. Compensation for Mr. LeMasters, who is also an executive officer, is fully disclosed in the Summary Compensation Table above.

### **Certain Transactions**

Except as described below, there are no existing or proposed material interests or transactions between the Bank and/or any of its officers, directors or organizers outside the ordinary course of the Bank's business.

The Bank may have banking and other business transactions in the ordinary course of business with its directors, officers, and principal shareholders, including members of their families or corporations, partnerships or other organizations in which they have a controlling interest. Any loans or extensions of credit from the Bank to its directors, officers and/or principal shareholders will comply with the provisions of Part 215 (Regulation O) of Title 12, Code of Federal Regulations. Regulation O requires, in part, that such loans:

- (1) be made on substantially the same terms (including interest rates and collateral) as, and following credit underwriting procedures that are not less stringent than, those prevailing at the time for comparable transactions by the Bank with other persons that are not covered by the Regulation and who are not employed by the Bank,
- (2) not involve more than the normal risk of repayment or present other unfavorable features, and
- (3) under certain conditions specified in the Regulation, be approved by the Bank's board of directors prior to the granting of the loan.

The Bank's Articles of Association provide, among other things, for the indemnification of the Bank's directors, officers and agents, and authorize the Board to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, such agents in connection with any personal legal liability incurred by that individual while acting for the Bank within the scope of his or her employment. Such provisions of the Bank's Articles of Association are subject to certain limitations imposed under California law, federal law and by the Comptroller of the Currency. The Bank's Articles of Association also provide for the limitation or elimination of personal liability of the Bank's directors to the Bank or its shareholders for monetary damages for certain breaches of fiduciary duty. However, federal law provides that the FDIC may seek monetary damages from bank directors in cases involving gross negligence or any greater

disregard of the duty of care, notwithstanding any provisions of state law which may permit limitations on director liability in such circumstances.

The Board of Directors also believes that both the limitation on director liability and the Bank's policy regarding indemnification of officers and directors are important in order to help ensure the continued ability of the Bank to recruit and retain competent officers and directors, and that effective corporate governance is hampered when officers and directors do not have the protections they have traditionally been provided against lawsuits "second-guessing" the prudence of business judgments made in good faith.

It is possible that services and equipment may from time to time be provided to the Bank by one or more directors or members of the Board of Directors. It is the policy of the Board that any such transactions between the Bank and any members of its Board, or any person directly or indirectly related to a director, be made in strict accordance with applicable rules and regulations and on substantially the same terms as those available at the time for comparable transactions with disinterested persons.

### **Report of the Compensation Committee on Executive Compensation**

The Compensation Committee has reviewed and discussed with management of the Bank the Compensation Discussion and Analysis included in this proxy statement. Based on such review and discussions, the Compensation Committee has determined that the Compensation Discussion and Analysis be included in this proxy statement.

Ernest LeRoy Moore, Chairman  
Richard Neal Anderson  
Greg Alan Bennett  
Malcolm Alison Mackenzie

### **Change In Control**

Management is not aware of any arrangements, including the pledge by any person of shares of the Bank, the operation of which may at a subsequent date result in a change in control of the Bank.

### **Significant Litigation**

The Bank is not involved in any litigation in which a director or officer has a material adverse interest.

### **Recommendation of the Board of Directors**

**The proxy holders intend to vote all proxies they hold in favor of election of each of the nominees. You are urged to vote for Proposal 1: To elect the four nominees set forth herein to serve as directors until the 2011 annual meeting of the shareholders and until their respective successors shall be elected and qualified: Greg Alan Bennett, Malcolm Alison Mackenzie, Joseph F. Malato and Lisa Renee Paul. If no contrary instruction is given, the proxy holders intend to vote for each nominee listed.**

— PROPOSAL 2 —

**RATIFICATION OF SELECTION OF INDEPENDENT  
PUBLIC ACCOUNTANTS**

Moss Adams LLP has served as the Bank's independent certified public accountants since inception in 2006. The Bank has had no disagreements with their accountants with respect to accounting principles or practices of financial statement disclosure.

At the 2008 Annual Meeting of Shareholders the following resolution will be subject to ratification by a simple majority vote of the shares represented at the meeting:

RESOLVED, that the selection of Moss Adams LLP as the independent certified public accountants of Bank of Napa, N.A. for the fiscal year ending December 31, 2008 is hereby ratified.

If ratification is not achieved, the selection of an independent certified public accountant will be reconsidered and made by the Bank's Board of Directors. Even if the selection is ratified, the Bank's Board of Directors reserves the right and, in its discretion, may direct the appointment of any other independent certified public accounting firm at any time if the Board decides that such a change would be in the best interests of the Bank and its shareholders.

The services provided by Moss Adams LLP include the examination and reporting of the financial status of the Bank. The services provided by Moss Adams LLP are being furnished pursuant to the terms of a written agreement to serve as the Bank's independent certified public accountants during 2008.

A representative of Moss Adams LLP is expected to attend the 2008 Annual Meeting of Shareholders. The representative will have the opportunity to make a statement, if desired, and is expected to be available to respond to shareholders' inquiries.

The aggregate amounts of fees billed by Moss Adams LLP for professional services for the period ended December 31, 2007, were:

<u>Service</u>	<u>Fees for period ended December 31, 2007</u>	<u>Fees for period ended December 31, 2006</u>
Audit	\$74,862	\$84,600
Audit-Related	N/A	N/A
Tax	\$10,750	\$ 3,500
All other	N/A	N/A

The Bank's Audit Committee has considered whether Moss Adams LLP's provision of the services described above as Audit-Related, Tax, and All Other is compatible with maintaining the independence of Moss Adams LLP.

## Recommendation of the Board of Directors

**The proxyholders intend to vote all proxies they hold in favor of approving the ratification of Moss Adams LLP as the Bank's auditors for the fiscal year ending December 31, 2008 (unless the shareholders direct otherwise). You are urged to vote for approval of Proposal 2: To ratify the Audit Committee selection of Moss Adams LLP to serve as the Bank's auditors for the fiscal year ending December 31, 2008.**

## Shareholder Communications with the Board Of Directors

Shareholders wishing to communicate with the Board of Directors or with a particular director may do so in writing addressed to the Board, or to the particular director, and delivering it to our Corporate Secretary at the address of our main office at 2007 Redwood Road, Suite 101, Napa, California 94558. The recipient will promptly forward such communications to the applicable committee, director or to the Chairman of the Board for consideration.

## Shareholder Proposals


Any shareholder proposals intended to be considered by management of the Bank for inclusion in the Bank's Proxy Statement for the 2009 Annual Meeting of Shareholders must be received by the Bank no later than December 2, 2009. The Board's proxy holders will have discretionary authority to vote on any other shareholder proposal properly presented at that Meeting, if any, if the Bank did not have notice of the matter at least 45 days before the anniversary of the date on which the Bank first sent its proxy materials for the this year's annual meeting of shareholders.

## OTHER MATTERS

Management does not know of any matters to be presented to the Meeting other than those set forth above. However, if other matters properly come before the Meeting, it is the intention of the persons named in the accompanying Proxy to vote said Proxy in accordance with the recommendations of the Board of Directors, and authority to do so is included in the Proxy.

Dated: April 1, 2008

BANK OF NAPA, N.A.



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M. Thomas LeMasters  
President and Chief Executive Officer,  
Chief Financial Officer

# **Appendix A**

## **Audit Committee Charter**

# Bank of Napa, NA.

## Audit Committee Charter

### Organization

The Audit Committee shall be composed of at least four (4) independent directors who are free of any relationship to the Corporation that may interfere with the exercise of their independence from management and the Corporation. All such committee members shall be financially literate, and at least one member shall have accounting, financial management, or other related experience or background which would result in that individual being deemed to have a high level of financial sophistication in the banking or financial services industry. The Chairman of the Board of Directors, in recommending members to serve on the Audit Committee, shall make a determination that each member is independent. The Audit Committee shall meet on a quarterly basis or as frequently as the Committee's Chairman shall determine necessary.

### Statement of Policy

The Audit Committee shall assist the Board of Directors in exercising its authority with respect to financial matters. The Audit Committee will review the Corporation's accounting and financial reporting practices and the quality and integrity of the Corporation's financial reporting. In so doing, the Audit Committee will facilitate free and open communication between the Corporation's directors, independent auditors, external credit reviewers and examining firms, internal credit reviewers and auditors, regulatory authorities (collectively referred to as "external and internal examining bodies") and financial management. The Audit Committee shall have frequent communication with the Board of Directors of the Corporation and its primary subsidiary, the Bank of Napa ("the Bank"). All references in this document to the Corporation shall include application of such processes and procedures to the Bank, where appropriate. Also, members of the Audit Committee shall also be members of the Risk Management Committee of the Bank.

### Power and Authority

In its review of financial matters, the Audit Committee shall have and may exercise all the powers and authority of the Board of Directors to the extent permitted under the applicable sections of the California Corporations Code. Each member of the Audit Committee shall, in the performance of such member's duties, be fully protected in relying on information, opinions, reports or statements prepared or presented by any of the Corporation's officers or employees, or committees of the Board of Directors or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence, all to the extent permitted by the applicable sections of this Code.

The Audit Committee shall have a clear understanding with the independent auditor that the independent auditor is ultimately accountable to the Board and the Audit Committee, and the Audit Committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, terminate the independent auditor's services.

## Activities

The Audit Committee will review and monitor the Corporation's accounting policies and financial reporting practices, paying particular attention to any weaknesses in internal accounting policies and controls, with the primary goal being to help assure that the Corporation's financial statements present fairly the Corporation's financial results in accordance with generally accepted accounting principles. The Board has delegated authority to the Audit Committee Chairman to review and approve the 10Q and 10K prior to filing.

In the course of these activities, the Audit Committee will:

1. Recommend to the directors the independent auditors to be selected to audit the financial statements of the Corporation. Review the independence and objectivity of the independent auditors. The Committee shall obtain from the independent auditor an annual written statement delineating all relationships between the independent auditor, on the one hand, and the Company, the Bank, and their respective Affiliates, on the other, consistent with Independence Standards Board Standard 1, and will discuss such reports with the auditor
2. Meet with the Corporation's independent auditors and financial management to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and, at the conclusion of the annual audit, review such audit, including any comments or recommendations of the independent auditors.
3. Prior to the public release of the annual financial statements, meet with the Corporation's financial management and the independent auditors to discuss the disclosure and content of the financial statements, including a discussion of the quality of the accounting principles applied and significant judgments affecting the Corporation's financial statements, and any other matters which are required to be communicated to audit committees in accordance with AICPA SAS 61.
4. Discuss with, and report to, the Corporation's financial management and the Board of Directors the material findings included in the independent auditors' management letter, if any.
5. Discuss with, and receive reports from, the Corporation's external and internal examining bodies, independent auditors and financial management regarding material changes in the Corporation's accounting principles, standards and policies.
6. Discuss with, and receive reports from, the Corporation's independent auditors, external and internal examining bodies and financial management regarding the adequacy and effectiveness of the Corporation's accounting and financial controls.

7. Review the Corporation's external and internal examining bodies, including their independence and authority, the proposed audit plans for the coming year and the coordination of such plans with the Corporation's independent auditors.
8. Consider and discuss with the Corporation's financial management and external and internal examining bodies significant findings from completed examinations during the year and any material changes required in the planned scope of the examination plans.
9. Provide an opportunity for the Corporation's external and internal examining bodies and independent auditors to meet with the members of the Audit Committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the Corporation's financial, accounting and auditing personnel, and the cooperation that the independent auditors received during the course of the audit.
10. Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel, consultants, or experts for this purpose if, in its judgment, it is appropriate to do so.
11. Submit the minutes of all meetings of the committee to, or discuss the matters discussed at each committee meeting with, the Board of Directors.