

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
BAYCOM CORP		37-1849111	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
MS. KEARY COLWELL	925-476-1805	KCOLWELL@UBB-US.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
500 YGNACIO VALLEY ROAD, SUITE 200		WALNUT CREEK, CA 94596	
8 Date of action		9 Classification and description	
FEBRUARY 13, 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
07272M107	N/A	BCML	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ BAYCOM CORP (BCML) ACQUIRED VALLEY COMMUNITY BANK EFFECTIVE FEBRUARY 13, 2015 FOR COMMON STOCK AND CASH IN LIEU OF ANY FRACTIONAL SHARES.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ VALLEY COMMUNITY BANK SHAREHOLDERS RECEIVED 0.345 SHARES OF BAYCOM CORP COMMON STOCK FOR EACH SHARE OF VALLEY COMMUNITY BANK, AND CASH IN LIEU OF FRACTIONAL SHARES AT THE FEBRUARY 13, 2015 BAYCOM CORP CLOSING PRICE OF \$4.22 PER SHARE.

THE BASIS OF THE BAYCOM CORP SHARES RECEIVED WILL BE THE BASIS OF THE VALLEY COMMUNITY BANK SHARES HELD ON FEBRUARY 13, 2015 MULTIPLIED BY THE EXCHANGE RATIO (0.345). BASIS IS ASSIGNED TO FRACTIONAL SHARES USING THE SAME FORMULA FOR CALCULATING BASIS ON WHOLE SHARES RECEIVED.

SEE ITEM 18, AND THE EXAMPLE IN 17, BELOW.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ _____

THE BASIS OF THE BAYCOM CORP SHARES RECEIVED WILL BE THE BASIS OF THE VALLEY COMMUNITY BANK SHARES HELD ON FEBRUARY 13, 2015 MULTIPLIED BY THE EXCHANGE RATIO (0.345). BASIS IS ASSIGNED TO FRACTIONAL SHARES USING THE SAME FORMULA FOR CALCULATING BASIS ON WHOLE SHARES RECEIVED.

EXAMPLE: SHAREHOLDER OWNED 100 SHARES OF VALLEY COMMUNITY BANK WITH A COST BASIS OF \$10.00 PER SHARE FOR A TOTAL TAX BASIS IN VALLEY COMMUNITY BANK SHARES OF \$1,000. THE SHAREHOLDER RECEIVED 34.5 SHARES OF BAYCOM CORP, WHICH WAS RECEIVED AS 34 SHARES OF BAYCOM CORP WITH A BASIS OF \$9,855.07 OR \$289.855 PER SHARE AND BASIS OF \$144.93 IN THE 0.5 FRACTIONAL SHARE RECEIVED.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
THE TRANSACTION IS INTENDED TO QUALIFY AS A TAX-FREE REORGANIZATION UNDER SECTION 368(a) OF THE INTERNAL REVENUE CODE. THE FEDERAL INCOME TAX CONSEQUENCES OF THE REORGANIZATION TO THE VALLEY COMMUNITY BANK SHAREHOLDERS ARE DETERMINED UNDER INTERNAL REVENUE CODE SECTIONS 354, 356, 358, 1001 AND 1221.

18 Can any resulting loss be recognized? ►
GAIN OR LOSS WILL BE RECOGNIZED ON CASH RECEIVED IN LIEU OF FRACTIONAL SHARES TO THE EXTENT OF THE DIFFERENCE BETWEEN THE CASH RECEIVED AND THE BASIS OF THE VALLEY COMMUNITY BANK SHARES ASSIGNED TO THE FRACTIONAL SHARES (SEE THE EXAMPLE IN ITEM 16 ABOVE). THE GAIN OR LOSS ON THE FRACTIONAL SHARES, ASSUMING THE VALLEY COMMUNITY BANK SHARES WERE HELD BY THE SHAREHOLDER AS A CAPITAL ASSET, WILL BE TAXED AS A CAPITAL GAIN OR LOSS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
THE TRANSACTION OCCURRED ON FEBRUARY 13, 2015. THEREFORE THE REPORTABLE TAX YEAR IS THE TAX YEAR OF THE SHAREHOLDER THAT INCLUDES FEBRUARY 13, 2015.

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

Signature ► _____ Date ► _____

Print your name ► MS. KEARY COLWELL Title ► CAO AND CHIEF FINANCIAL OFFICER

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>JAMES D GOELLER</u>		<u>5/18/2018</u>		<u>P00184345</u>
	Firm's name ► <u>CROWE HORWATH LLP</u>	Firm's EIN ► <u>35-0921680</u>		Phone no. <u>415-576-1100</u>	
	Firm's address ► <u>575 MARKET STREET, STE 3300, SAN FRANCISCO, CA 94105</u>				