

June 1, 2014

Dear City National Bank Client:

We appreciate your business and want to update you on changes to your Deposit Agreement that become effective on July 1, 2014.

Please review the amendments below. If you have any questions, please contact your City National Banker or call us at (305) 577-7333 or (800) 762-2489.

We value your relationship and look forward to continuing to serve you.

Your City National Bank Team

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### IMPORTANT CHANGES TO YOUR DEPOSIT AGREEMENT

City National Bank of Florida ("CNB") is amending and altering the Deposit Agreement dated November 1, 2012 and December 1, 2012, consistent with Section I, paragraph 25.e., and the changes are outlined below in [Blue](#). The changes become effective July 1, 2014 and are provided below:

Section I, paragraph 5: The following new provision is added.

**Foreign Account Tax Compliance Act (FATCA).** Under Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, (the "Code"), or any amended or successor version that is substantively comparable, any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code (collectively, "FATCA"), U.S. financial institutions ("USFI"), including CNB, and other types of U.S. withholding agents are required to withhold thirty percent (30%) on certain U.S. source payments made to foreign entities, including foreign financial institutions ("FFIs") if they are unable to document such entities' status for purposes of FATCA. USFIs and U.S. withholding agents must also report to the IRS information about certain non-financial foreign entities with substantial U.S. owners.

For purposes of FATCA, there are two types of U.S. source payments subject to withholding: (1) beginning July 1, 2014 (or such other date designated by FATCA from time to time), U.S. source fixed or determinable, annual or periodical (hereinafter "FDAP") income and (2) beginning January 1, 2017 (or such other date designated by FATCA from time to time), gross proceeds from the sale or disposition of any property of a type that can produce interest or dividends from sources within the U.S. By way of example: (1) FDAP includes but is not limited to the following U.S. source: compensation for personal services, interest, dividends, original issue discount, pensions & annuities, alimony, real property rents, royalties, scholarships and fellowship grants, prizes, awards, taxes, mortgage interest, or insurance premiums paid to a landlord by a tenant, prizes awarded to artists for pictures exhibited in the U.S., purses paid for boxing in the U.S., prizes awarded to golfers for U.S. tournaments, etc. and (2) gross proceeds includes but is not limited to the following, sale of: U.S. stock, U.S. corporate bonds, U.S. treasury bills, etc. It is important to note, FDAP and gross proceeds do not include income that is (or is deemed to be) effectively connected with the conduct of a trade or business in the U.S. and is includible in the beneficial owner's gross income for the taxable year. In light of the foregoing, you hereby represent, warrant, acknowledge and agree as follows:

- a. FATCA; General Exculpation of Liability. You hereby acknowledge and agree that if a payment made to Customer by CNB in connection with an account, this Agreement, or any products or services provided by CNB to the Customer would be subject to U.S. federal withholding tax imposed by FATCA, Customer shall deliver to CNB at the time or times prescribed by law and at such time or times requested by CNB such documentation requested by CNB as may be necessary for CNB to comply with its obligations under FATCA to determine that Customer has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. In accordance with Section I, paragraph 21 of this Agreement, CNB and each Indemnified Party (as defined in Section I, paragraph 21) shall not at any time incur any liability to you and you hereby expressly waive and release any and all claims and causes of action which you may at any time have against any Indemnified Party (as defined in Section I, paragraph 21) in connection with any acts, omissions, or circumstances at any time or times arising out of or relating to any of CNB's or its affiliates obligations with respect to FATCA, including, as applicable, reporting of information or withholding on any payments received or originated by you.
- b. CUSTOMER OBLIGATIONS. You are in the best position to determine your U.S. or foreign status, Chapter 4 status (as such term is defined in FATCA) and the status of your payees in connection with your account (each, as applicable, "FATCA status"). Accordingly, you hereby agree to provide the Bank with such documentation or information it may request or deem necessary (in its sole discretion) from time to time to comply with its obligations under FATCA, including, but not limited to, any one or more of the following:
- i. A true and correct withholding certificate (e.g., W-8BEN, W-8BEN-E, W-9, etc.) for the account or the payee;
  - ii. With respect to an account held by or payee that is a FFI, a true and correct withholding certificate that identifies the FFI as a participating FFI ("PFFI"), deemed-compliant FFI, registered deemed-compliant FFI, certified deemed-compliant FFI or such other FATCA classification applicable to such FFI;
  - iii. With respect to an account held by or payee that is a FFI required to obtain a Global Intermediary Identification Number ("GIIN"), documentary evidence that the FFI has registered with the IRS and obtained a valid GIIN;
  - iv. With respect to an account held by or payee that is a non-financial foreign entity ("NFFE") or an exempt beneficial owner, a true and correct withholding certificate identifying the account holder or payee as an excepted NFFE, passive NFFE or an exempt beneficial owner. Examples of excepted NFFEs, include, but are not limited to: publicly traded companies, affiliates of publicly traded companies, non-profits, and active NFFE (means a foreign business whose passive income is less than 50% of gross income). Examples of exempt beneficial owners, include, but are not limited to: any foreign government, any political subdivision of a foreign government, or any wholly owned agency or instrumentality of any one or more of the foregoing, foreign central bank of issue (e.g., such banks are generally the custodian of the banking reserves of the country, Bank for International Settlements, etc.), Governments of U.S. Territories, and certain retirement funds;
  - v. Any other written documentation or certification reflecting the nature of payment (i.e., showing it is not a withholdable payment under FATCA) or the FATCA status of the payee consistent with the provisions of the Code and/or regulations promulgated under FATCA;
  - vi. Documentary evidence regarding the nature of the payment as not U.S. source FDAP or U.S. source gross proceeds, as those terms are defined in FATCA;
  - vii. A certificate of residence issued by an appropriate tax official of the foreign country claimed by you or the payee as the country of residence that indicates that such party has filed its most recent income tax return as a resident of that country;
  - viii. With respect to an individual, valid identification issued by an authorized government body (e.g., a government or agency thereof, or a municipality) that is typically used for identification purposes;
  - ix. With respect to an account maintained in a jurisdiction with anti-money laundering rules that have been approved by the IRS in connection with a Qualified Intermediary agreement (a "QI Agreement"), any of the documents other than a withholding certificate referenced in the jurisdiction's attachment to the QI Agreement for identifying individuals or entities;
  - x. With respect to an entity, any official documentation issued by an authorized government body (e.g., a government or agency thereof, or a municipality);
  - xi. For a payment made with respect to an offshore obligation to an individual, a third-party credit report;

- xii. With respect to an entity other than a PFFI or registered deemed-compliant FFI, any organizational document (e.g., articles of incorporation or a trust agreement), financial statement, third-party credit report, letter from a government agency, or statement from a government Web site, agency, or registrar (such as an SEC report) depending on the FATCA status of the entity; or
- xiii. A letter from an auditor or attorney with a location in the United States that is not related to the withholding agent or payee and is subject to the authority of a regulatory body that governs the auditor's or attorney's review of the FATCA status of the payee, any bankruptcy filing, corporate resolution, copy of a stock market index or other document depending on the FATCA status of the payee.

In the absence of the provision of the information / documentation summarized above (i.e., FATCA status), CNB may be required under FATCA to withhold thirty percent (30%) on payments to or from your account.

- c. Due Diligence Obligations. In the event CNB establishes an account for a foreign legal entity, it shall perform due diligence in order to determine if any substantial U.S. ownership exists. Further, CNB may ask you questions with respect to your U.S. tax payer status and will require you to complete a W-9 or W-8, as applicable. In addition, CNB will inquire as to the nature of your payments (foreign and domestic), the payee, and/or the status of the foreign beneficiary bank / financial institution in order to comply with its obligations under FATCA.
- d. FATCA Withholding Obligation. In the event that CNB is unable to determine that a payment made to or from your account is subject to withholding under FATCA or you have not met the CUSTOMER OBLIGATIONS, as summarized above, you hereby acknowledge and agree that CNB will withhold thirty percent (30%) of the gross amount of such payment. Therefore, it is incumbent upon you to meet the CUSTOMER OBLIGATIONS, as summarized above, or CNB shall meet its legal obligations under FATCA and will withhold thirty percent (30%) of such payment.
- e. Reporting. CNB, as a USFI, must report to the IRS information about certain non-financial foreign entities with substantial U.S. owners and payments made to nonparticipating FFIs.
- f. Change in Circumstances. For purposes of FATCA the Customer is considered to have a "change in circumstances" only if such change results in the addition of information (i.e., U.S. indicia that is not otherwise cured by documentation on file and that is relevant to the Customer's FATCA status claimed) relevant to a person's claim of foreign status or otherwise conflicts with such person's status under FATCA. As defined in the FATCA regulations, U.S. indicia includes but is not limited to: U.S. address or U.S. residence address, a U.S. person serving as agent under a power of attorney over an non-resident alien / foreign legal entity account, U.S. telephone number, U.S. place of birth, an "in-care-of" address or "hold mail" that is the sole address of the Customer, etc. A change of address or telephone number is a change in circumstances for purposes of a "change in circumstances" only if it changes to an address or telephone number in the United States. A change in circumstances affecting the withholding information provided to the Bank will terminate the validity of the withholding certificate (i.e., W-8 or W-9) with respect to the information that is no longer reliable, until the information is updated. You have an obligation to notify the Bank of a change in circumstances. If a change in circumstances makes any information on a withholding certificate or other documentation incorrect, then the person whose name is on the withholding certificate or other documentation must inform CNB (the withholding agent) within thirty (30) days of the change and furnish a new withholding certificate, as may be deemed necessary, and, as applicable, provide new documentary evidence to document the validity of a claimed exemption where U.S. indicia is reflected.
- g. Protection Under FATCA and this Agreement for Withholding and Reasonable Delay in Executing a Payment Order. With respect to foreign payments, in the event you fail to meet CUSTOMER OBLIGATIONS, as outlined above, the Bank is required under FATCA to withhold thirty percent (30%) of the gross payment amount and FATCA holds it harmless for doing so. In addition, you agree and authorize the Bank to withhold said thirty percent (30%) of the payment amount and remit to the IRS as required by law. You agree that CNB will have a reasonable period of time to investigate and inquire with you as to the nature of the payment or the FATCA status of the payee and that you will promptly cooperate with CNB to avoid any undue delay in processing the payment order. Customer acknowledges the importance of meeting the CUSTOMER OBLIGATIONS, as outlined above, and in relation with this Section I, paragraph 5, shall excuse a reasonable delay in executing a payment order for its failure to meet those obligations and for CNB employing its best efforts to ascertain the FATCA status of the foreign payment. Lastly, in connection with this delay, fees or charges assessed by any paying bank or beneficiary bank as a result of initiating a second foreign payment order to remit the incorrectly withheld thirty percent (30%), or the withholding of thirty percent (30%) for your failure to meet the CUSTOMER OBLIGATIONS, you agree that to the greatest extent permitted by law you shall hold the Bank harmless and indemnify it consistent with Section I, paragraph 21.

- h. Withholding Agent Liability (FATCA & non-FATCA Withholding). CNB, as a withholding agent, is liable for any tax required to be withheld that is not properly withheld. The withholding agent also becomes liable for interest and applicable penalties. In the event a withholdable payment, including interest, penalties, and any associated costs (e.g., attorney, CPA, or other professional, court costs, fees, etc.) is made or required to be made by CNB on your behalf, then Customer agrees that said payment shall be an Indebtedness of Customer and as such it shall be subject to the provisions of Section I, paragraph 19, Security Interest / Right of Setoff. The rights conferred herein by Customer and this Agreement are in addition to any the Bank may have at law or equity.

Section I, paragraph 6: The paragraph is modified as follows (modified language is in Blue):

**Nonresident Aliens / Foreign Legal Entities**. Your accounts will be classified as belonging to a nonresident alien (“NRA”) account should you be a foreign national (national of a country other than United States) or a foreign legal entity (“FLE”). An FLE is defined as an entity (e.g., corporation, limited liability company, partnership, limited partnership, trust, or any similar business structure/entity) formed in a jurisdiction outside of the U.S. Account owners meeting such definitions must certify their foreign status and beneficial ownership at the time the account is opened on IRS: Form W-8 BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding; W-8 BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities); or other applicable W-8. NRAs and/or FLEs must re-certify their foreign status every three (3) calendar years or as made applicable by the IRS. If you do not re-certify, we are required to withhold a percentage of the interest earned on the account. Funds remitted to the IRS as backup withholding or any other form of withholding is nonrefundable by the Bank. You will be required to file with the IRS for refund. You agree to hold the Bank harmless consistent with Section I, paragraph 21, for any and all losses associated with your failure to re-certify your foreign status.

Section I, paragraph 21: The paragraph is modified as follows (modified language is in Blue):

**Indemnification of Bank**. You agree to indemnify and hold the Bank, its affiliates, and each of their respective directors, officers, employees and agents (each of the foregoing, including the Bank and its affiliates, being an “Indemnified Party”) harmless from any and all losses, claims, demands, causes of action, liabilities, damages, costs, interest, fines, penalties, and expenses (including without limitation any attorneys', Certified Public Accountant, or any other professional fees, whether incurred at trial, on appeal or without litigation) which may at any time or times be imposed upon, incurred or suffered by, or asserted against such Indemnified Party in connection with any acts, omissions or circumstances arising out of or relating to this Agreement, or any breach of this Agreement by you, or the presentation, payment or dishonor of any item drawn on any account of yours, or the acceptance of any item for deposit in any such account, or any other matter or transaction contemplated by this Agreement (other than any such acts or omissions amounting to gross negligence or willful misconduct on the part of any such Indemnified Party). Even if liability is established for actual damages, consistent with Section I, paragraph 20, **IN NO EVENT SHALL ANY INDEMNIFIED PARTY OR YOU BE LIABLE TO ONE ANOTHER FOR INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE FURNISHING, PERFORMANCE OR USE OF THE SERVICES PROVIDED FOR UNDER THIS AGREEMENT, EVEN IF YOU OR AN INDEMNIFIED PARTY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES UNLESS REQUIRED BY APPLICABLE LAW.** The limitations and exclusions in this paragraph shall apply to all claims of every kind, nature, and description whether arising from breach of contract, breach of warranty, negligence or other tort, and shall survive the termination of this Agreement.