



City National Bank Trust Real Estate

REAL ESTATE MANAGEMENT FOR TRUSTS AND ESTATES

REAL ESTATE MANAGEMENT

Because real estate holds a significant position in many portfolios, the City National Bank (CNB) Trust and Estate Administration Team views it not only as a property to be managed, but as an investment. That is why CNB provides our trust clients the best of both worlds: top professionals for hands-on property management and oversight, and the right strategies to help maximize the value of real estate assets.

Investment management services provided by City National Bank through its wholly owned subsidiary City National Rochdale, LLC, a registered investment advisor.

Non-deposit Investment Products:

■ are not FDIC insured

■ are not Bank guaranteed

■ may lose value



A DYNAMIC COMBINATION

The real estate industry has become increasingly complex. Investing in real estate requires in-depth knowledge that goes beyond property management, financing, law and tax regulations. It also requires an understanding of how the financial performance of property affects wealth planning in order to maximize the potential value to one's estate.

The City National Bank Trust and Estate Administration Team shows clients the true performance of their real estate assets as well as how to help enhance the value of their properties. We are able to do this because our trust real estate professionals are knowledgeable property managers who understand real estate investment management, and have experience in trust administration. It is this dynamic combination—real estate expertise, investment know-how, and trust knowledge—that sets us apart from other property managers, banks or trust departments.

CNB has a proven track record of successfully managing a wide array of property types:

- Retail and commercial centers
- Office buildings
- Industrial facilities
- Multi-family properties
- Mineral, oil and gas assets



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The scope of work CNB provides depends on the property, the goals of the client, and the terms of the trust or governing document. Clients may ask us to handle only one issue or provide comprehensive services. Regardless of the scope of our assignment, CNB works closely with our client's existing management firms, attorneys, tax advisors and consultants to ensure a unified management approach.



Portfolio Analysis

- Financial performance of real assets
- Property valuation
- Tax analysis
- Recommendations for risk reduction and diversification
- Recommendations for enhanced return

Strategy Development and Implementation

- Liquidate or collateralize a portion of real assets
- Property renovation or remodeling
- Develop plans
- Obtain necessary permits
- Oversee construction
- Property re-characterization
- Land use change, zoning changes, entitlements or condemnation

Sales, Leasing, Acquisitions and Tax-deferred 1031 Exchanges (Including tenants-in-common "TIC" transactions)

- Develop overall marketing strategy for sale
- Conduct property searches
- Structure the sale, purchase, leasing or 1031 Exchange
- Conduct negotiations
- Manage closing process

Financing

- Secure new loans
- Debt restructuring

Market Assessment and Feasibility Studies

Property Tax Appeals

Direct the Activities of Limited Liability Companies

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PROFESSIONAL PROPERTY MANAGEMENT

CNB's promise of high-touch client service extends to property management services for trust clients. CNB is dedicated to impeccable property management, while meeting or exceeding established income and expense goals.



Comprehensive Recordkeeping and Accounting

- Income collection
- Mortgage, tax and bill payment
- Common area maintenance (“CAM”) billing and collections
- Operating and bank account maintenance
- Operating budgets
- Capital budget plans

Financial Analysis

- Financial performance of property
 - Historical and projected cash flow
 - Balance sheets
 - Income and expense reports
- Assess short- and long-term goals for the property

Risk Management

- Assess insurance coverage and replacement cost values
- Manage or oversee environmental remediation
- Manage security

Property Maintenance and Repair

- Coordinate repair work
- Bid and award maintenance contracts
- Institute preventive maintenance programs
- Undertake rehab and renovation projects

Building Inspections

- Assess physical condition of properties
- Review preliminary and title reports
- Obtain appraisals and surveys
- Review and assess environmental impact reports
- Ensure compliance with local codes

Occupancy Management

- Design and implement marketing programs
- Determine desired tenant mix and rent projections
- Prepare, negotiate and enforce lease and rental agreements
- Coordinate tenant move-in
- Manage tenant relations and retention

Management of Minerals, Oil and Gas

- Monitor royalties and payments
- Negotiate lease and exploration and/or production contracts
- Analyze historical and projected production

Supervision of Property Management

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A DEDICATED TEAM OF PROFESSIONALS

Fiduciary Responsibility

CNB manages real estate that is held in trust, estate, probate or conservatorship, and as an agent. This means that CNB has a fiduciary responsibility to act in the best interest of our clients. We are held to a higher legal and ethical standard than other types of professional corporations.

Experienced Property Managers

CNB's real estate officers have an average of 20 years of industry experience, service and education. City National's reputation has enabled CNB to attract seasoned professionals who are truly dedicated to real estate management.

CNB professionals are skilled at negotiation and conflict resolution. They play a key role in helping clients successfully resolve conflicts that may arise from the competing interests of multiple parties involved in one property.

Industry Knowledge

A fundamental part of CNB's commitment is to stay aware of the dynamic changes in the industry and the laws that impact real estate management. Our focus on regional markets adds a high degree of expertise and insight into our client solutions. Additionally, CNB officers are actively involved in professional industry groups and regularly take continuing education coursework.

Focused on Client Priorities

CNB's team is highly selective in property engagements. This enables officers to focus on client priorities in order to provide customized solutions and deliver hands-on real estate management and oversight.

Effective Communication

In addition to daily management activities, CNB real estate officers provide important management oversight and communication to keep clients aware of all issues surrounding their real estate and real estate-related holdings.

- Meeting with clients on a regular basis to ensure they are kept informed of all property management issues, no matter how minor. CNB encourages in-person meetings that include key members of a client's advisory team
- Providing clients with quarterly statements that include detailed information on their holdings
- Making itself readily available to answer any questions clients may have

CNB is proud of its track record of success and we will strive every day to exceed client expectations.

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FREQUENTLY ASKED QUESTIONS

How is Your Approach Different from that of a Property Management Firm?

The scope of CNB's work is much broader than that of a property management firm. Because a property management firm typically charges a fee based on income from the property, it may not be focused on many of the activities that CNB manages, and it tends to treat the property strictly as a business operation.

At City National Bank, we take a more dynamic approach. We're in tune with our client needs balanced against the terms of the trust. We seek to enhance the after-tax return of real estate, and this has implications on how we manage and oversee properties.

It is important to note that CNB is willing to work with a client's existing property management firm to ensure a unified management approach.

How do I Learn More?

Clients are often pleased to find that even a brief introductory meeting with CNB's team helps them better understand ways they can enhance the value of their real estate.

During an initial meeting, we will often ask for the following general information:

- What role does your real estate investment play in your overall wealth planning strategy?
- What type of property is held in the trust or estate?
- Where is(are) the property(ies) located?
- Is a property manager already involved?
- What are the income and expenses for each property?
- Do you have any future plans in mind for the property(ies)?

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Important Disclosures

The information presented does not involve the rendering of personalized investment, financial, legal or tax advice. This presentation is not an offer to buy or sell, or a solicitation of any offer to buy or sell mentioned herein.

Certain information has been provided by third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed.

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City National Bank, its managed affiliates and subsidiaries, do not provide tax or legal advice. All decisions regarding the tax or legal implications of your investments should be made in connection with your independent tax or legal advisor.

Past performance is no guarantee of future performance. As with any investment strategy, there is no guarantee that investment objectives will be met, and investors may lose money.

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