



March 14, 2013

RE: Local Agency Security Program

To Whom It May Concern:

Pacific Western Bank ("PWB") participates in the Local Agency Security Program ("LASP" or "program"), which is administered by the California Department of Financial Protection and Innovation ("DFPI"). Along with administering the program, the DFPI is PWB's state regulator. The program governs the reporting and collateralization of California local agency deposits by insured depository institutions.

The program requires PWB at all times to collateralize 110% of the uninsured portion of local agency deposits. PWB pledges high grade AAA and AA rated municipal bonds to a dedicated custody account at US Bank and is required to report program balances and market value of collateral weekly. DFPI approval is required before US Bank will release securities from the pledge account back to PWB.

For more information on the program, please visit the DFPI website  
<https://dfpi.ca.gov/local-agency-security-program/>

Sincerely,

Irit McMahon  
Senior Vice President  
Pacific Western Bank