

ATTACHMENT C
ESCROW AGREEMENT

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by and between

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4
(PLAYA VISTA-PHASE I)**

and

**U.S. BANK NATIONAL ASSOCIATION,
AS PRIOR TRUSTEE AND AS ESCROW BANK**

Dated as of _____ 1, 2014

**Relating to
City of Los Angeles
Community Facilities District No. 4
(Playa Vista-Phase I)
Special Tax Bonds, Series 2003**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Escrow Agreement"), dated as of _____ 1, 2014, is by and between CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA-PHASE I), a community facilities district organized and existing under the laws of the State of California (the "Community Facilities District"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Prior Trustee (as defined herein) and as escrow bank (the "Escrow Bank").

WITNESSETH:

WHEREAS, the Community Facilities District previously issued its City of Los Angeles Community Facilities District No. 4 (Playa Vista-Phase I) Special Tax Bonds, Series 2003 (the "Prior Bonds"), presently outstanding in the aggregate principal amount of \$85,785,000;

WHEREAS, the Prior Bonds were issued pursuant to the Indenture, dated as of April 1, 2003 (the "Prior Indenture"), by and between the Community Facilities District and Harris Trust Company of California, as trustee;

WHEREAS, the Escrow Bank is the trustee (the "Prior Trustee") under the Prior Indenture;

WHEREAS, the Community Facilities District has determined that debt service savings can be achieved by refunding the Prior Bonds;

WHEREAS, in order to provide the funds required to refund the Prior Bonds, the Community Facilities District is issuing \$_____ aggregate principal amount of City of Los Angeles Community Facilities District No. 4 (Playa Vista-Phase I) Special Tax Refunding Bonds, Series 2014 (the "Bonds"), pursuant to the Indenture, dated as of _____ 1, 2014 (the "Indenture"), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the "Trustee");

WHEREAS, the Community Facilities District has determined to apply a portion of the proceeds of the Bonds for the purpose of providing the funds necessary to pay, when due, the interest on the Prior Bonds to and including September 1, 2014 and to redeem the Prior Bonds on September 1, 2014 (the "Redemption Date") at a redemption price (the "Redemption Price") equal to 100% of the principal amount of the Prior Bonds being so redeemed; and

WHEREAS, the Prior Bonds are subject to redemption on the Redemption Date and the Community Facilities District has determined to provide for the call for redemption on the Redemption Date of the Prior Bonds outstanding on the Redemption Date;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Prior Indenture.

Section 2. The Refunding Fund. (a) There is hereby established a fund (the "Refunding Fund") to be held as an irrevocably pledged escrow by the Escrow Bank, which the Escrow Bank shall keep separate and apart from all other funds of the Community Facilities District and the Escrow Bank and which shall be applied solely as provided in this Escrow Agreement. The Refunding Fund is established for the purpose of refunding the Prior Bonds and, for purposes of Section 53363.5 of the Mello-Roos Community Facilities Act of 1982, shall be deemed to be a fund in the treasury of the City of Los Angeles.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Refunding Fund are hereby pledged and assigned solely to the payment of the interest on the Prior Bonds coming due on the Redemption Date and the Redemption Price on the Redemption Date, which amounts shall be held in trust by the Escrow Bank for the Owners of the Prior Bonds.

(b) On the date of issuance of the Bonds (the "Closing Date"), there shall be deposited in the Refunding Fund \$ _____ received from the proceeds of the sale of the Bonds.

The Escrow Bank, as the Prior Trustee, is hereby instructed to liquidate the investments held in the funds and accounts established under the Prior Indenture. The Escrow Bank, as the Prior Trustee, has informed the District that, as of the Closing Date, there is no less than \$ _____ on deposit in the funds and accounts established under the Prior Indenture. On the Closing Date, the Escrow Bank, as the Prior Trustee, shall transfer \$ _____ from the funds and accounts established under the Prior Indenture to the Refunding Fund.

(c) As reflected in the certification of the nationally recognized firm of independent certified public accountants delivered in connection herewith, upon the deposit of moneys pursuant to Section 2(b) hereof, the moneys on deposit in the Refunding Fund will be at least equal to an amount sufficient to make the payments required by Section 4 hereof.

Section 3. Use of Moneys. (a) The Escrow Bank hereby acknowledges deposit of the moneys described in Section 2(b) hereof and agrees to hold such moneys uninvested.

(b) No moneys deposited with the Escrow Bank pursuant to this Escrow Agreement shall be withdrawn or used for any purpose other than as provided in Section 4 hereof.

(c) The Escrow Bank shall not be held liable for investment losses resulting from compliance with the provisions of this Escrow Agreement.

Section 4. Payment of Prior Bonds. From the money then held in the Refunding Fund, the Escrow Bank, as the Prior Trustee, shall apply such amounts, as follows:

(a) on the Redemption Date, the Escrow Bank, as the Prior Trustee, shall pay interest on the Prior Bonds in accordance with the terms of the Prior Indenture;

(b) on the Redemption Date, the Escrow Bank, as the Prior Trustee, shall pay the Redemption Price in accordance with the terms of the Prior Indenture.

To the extent that the amount on deposit in the Refunding Fund on the Redemption Date is in excess of the amount necessary to make the required payments with respect to the Prior

Bonds, such excess shall be transferred to the Trustee for deposit in the Interest Account established under the Indenture.

Section 5. Transfer of Amounts Remaining Under Prior Indenture. The Escrow Bank, as the Prior Trustee, is hereby instructed, after having made the deposit to the Refunding Fund provided for in Section 2 hereof, to transfer any amounts remaining in the funds and accounts established under the Prior Indenture to the Trustee for deposit in the Interest Account established under the Indenture.

Section 6. Notice of Redemption. The Community Facilities District hereby irrevocably designates the Prior Bonds for redemption as indicated in Section 4 hereof. The Community Facilities District has previously irrevocably instructed the Escrow Bank, as the Prior Trustee, to mail, on a date in accordance with the provisions of Section 4.02 of the Prior Indenture, notice of redemption of the Prior Bonds, said notice to be given in accordance with Section 4.02 of the Prior Indenture. The Escrow Bank, as the Prior Trustee, agrees that such irrevocable instructions are in a form satisfactory to it. The Escrow Bank, as the Prior Trustee, has informed the Community Facilities District that it has so mailed such notice.

Section 7. Escrow Bank's Authority to Make Investments. The Escrow Bank shall have no power or duty to invest any funds held under this Escrow Agreement except as provided in Section 3 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

Section 8. Indemnity. To the extent permitted by law, the Community Facilities District hereby agrees to indemnify, protect, save and keep harmless the Escrow Bank, and its respective successors and assigns, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees, expenses and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against the Escrow Bank at any time in any way relating to or arising out of the execution and delivery of this Escrow Agreement by the Escrow Bank and the performance by the Escrow Bank of its duties hereunder; provided, however, that the Community Facilities District shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct, the negligence or willful misconduct of the Escrow Bank's respective successors or assigns or the material breach by the Escrow Bank or such successors or assigns of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement and the removal or resignation of the Escrow Bank.

Section 9. Responsibilities of Escrow Bank. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the Community Facilities District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of, and shall not be responsible or liable for any insufficiency of, the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the redemption of the Prior Bonds pursuant to the Prior Indenture. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default. In no event shall the Escrow Bank be liable for any special, indirect or consequential damages. No provision of this Escrow

Agreement shall require the Escrow Bank to advance, expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its rights, duties or powers hereunder, other than such financial liability as may result from the Escrow Bank's negligence, willful misconduct or default in any such performance or exercise. The Escrow Bank may consult with counsel, who may or may not be counsel to the Community Facilities District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the Community Facilities District. Whenever the Escrow Bank shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds be proved or established prior to taking, suffering or omitting any such action, such matter may be established only by a certificate signed by a nationally recognized firm of certified public accountants or such opinion of counsel of recognized standing in the field of law relating to municipal bonds.

The Escrow Bank may resign by giving written notice to the Community Facilities District, and upon receipt of such notice the Community Facilities District shall promptly appoint a successor Escrow Bank. If the Community Facilities District does not appoint a successor Escrow Bank within 30 days of receipt of such notice, the resigning Escrow Bank may petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the resigning Escrow Bank shall transfer all amounts held by it in the Refunding Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

Section 10. Amendments. The Community Facilities District and the Escrow Bank may (but only with the consent of the Owners of all of the Prior Bonds) amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement.

Section 11. Compensation. The Community Facilities District shall from time to time pay or cause to be paid to the Escrow Bank the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Bank for all of its reasonable advances in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien whatsoever on any moneys or obligations in the Refunding Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Escrow Agreement or otherwise.

Section 12. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Community Facilities District or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the

remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 13. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

Section 14. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 4 (PLAYA VISTA-PHASE I)**

By: _____

ATTEST:

HOLLY L. WOLCOTT, INTERIM CITY CLERK

By: _____
Deputy

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: _____
Assistant City Attorney

**U.S. BANK NATIONAL
ASSOCIATION, AS PRIOR TRUSTEE
AND AS ESCROW BANK**

By: _____
Authorized Officer