
CITY OF ANAHEIM, CALIFORNIA

and

U.S. BANK NATIONAL ASSOCIATION,
Escrow Agent

ESCROW AGREEMENT

Dated _____, 2014

Relating to

Certificates of Participation
(1993 Land Acquisition Refinancing Project)
Evidencing Direct, Undivided Fractional Interests
Of the Owners Therein in Lease Payments
To be made by the
City of Anaheim, California
As the Rental for Certain Property
Pursuant to a Lease Agreement with the
Anaheim Public Improvement Corporation

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated _____, 2014, by and between the **CITY OF ANAHEIM, CALIFORNIA**, a municipal corporation and chartered city duly organized and existing under the laws of the State of California and its Charter (the “City”) and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under and by virtue of the laws of the United States of America, being qualified to accept and administer the trusts hereby created (the “Escrow Agent”) under the Trust Agreement (capitalized terms used herein shall have the meanings given such terms pursuant to Section 1 hereof),

WITNESSETH:

WHEREAS, the City has acquired and constructed certain capital improvements constituting the 1993 Project; and

WHEREAS, the City has refinanced the 1993 Project with the proceeds of the Certificates executed and delivered pursuant to the Trust Agreement and evidencing direct, undivided, fractional interests of the owners thereof in lease payments to be made by the City pursuant to the 1993 Lease; and

WHEREAS, the City desires to refinance the 1993 Project; and

WHEREAS, the Refunded Certificates are the only Certificates remaining outstanding under the Trust Agreement; and

WHEREAS, the Trust Agreement provides for the redemption and defeasance of the Refunded Certificates upon the deposit of the funds and the other conditions specified in Article XIV of the Trust Agreement; and

WHEREAS, at the request of the City and pursuant to the Indenture, AHPIA has issued the Bonds for the purpose, *inter alia*, of providing funds for the refinancing of the 1993 Project; and

WHEREAS, for the purpose of refinancing the 1993 Project by providing for the redemption and defeasance of the Refunded Certificates in accordance with Article XIV of the Trust Agreement, the City has caused a portion of the proceeds of the Bonds and certain other funds to be deposited into the Escrow Fund as provided in Section 2 hereof and has entered into this Escrow Agreement with the Escrow Agent; and

WHEREAS, the sufficiency of the amounts deposited in the Escrow Fund together with the interest thereon without reinvestment, to pay all the Escrow Requirements when due has been verified by the Verification Report;

NOW, THEREFORE, the City and the Escrow Agent hereby agree as follows:

Section 1. Definitions. Capitalized terms used in this Escrow Agreement and not otherwise defined herein shall have the meanings given such terms in the Trust Agreement, dated as of November 1, 1993, by and among the Anaheim Public Improvement Corporation, the City of Anaheim, California and U.S. Bank National Association, as successor trustee. The following shall have the meanings set forth below for all purposes of this Escrow Agreement.

“1993 Lease” means the Lease Agreement, dated as of November 1, 1993, by and between the Anaheim Public Improvement Corporation and the City of Anaheim, California.

“1993 Project” shall have the meaning ascribed to “Site” in the Trust Agreement.

“AHPIA” means the Anaheim Housing and Public Improvements Authority.

“Bonds” mean the Anaheim Housing and Public Improvements Authority Lease Revenue Bonds (Anaheim Convention Center Lease), 2014 Series B, issued pursuant to the Indenture.

“Certificates” means the certificates of participation in the lease payments due under the 1993 Lease.

“Closing Date” means _____, 2014, the date of issuance of the Bonds.

“Escrow Agent” means U.S. Bank National Association, its successors and assigns.

“Escrow Fund” means the Anaheim Community Center Authority 1993 Convention Center Certificates Escrow Fund established pursuant to Section 2 hereof.

“Escrow Requirements” means the moneys required to pay (a) the interest on the Refunded Certificates due after the Closing Date and prior to the Redemption Date and (b) the Redemption Price on the Redemption Date.

“Indenture” means the Indenture of Trust, dated as of _____ 1, 2014, between the Anaheim Housing and Public Improvements Authority and U.S. Bank National Association, trustee.

“Redemption Date” means _____, 2014, the final day on which the Refunded Certificates can be redeemed after the Closing Date and after giving the notice of redemption, which notice shall not be given more than two Business Days after the Closing Date.

“Redemption Price” means the sum of \$_____, which is equal to the principal amount of the Refunded Certificates plus the unpaid accrued interest thereon to the Redemption Date.

“Refunded Certificates” means all the Certificates outstanding under the Trust Agreement.

“Trust Agreement” means the Trust Agreement, dated as of November 1, 1993, by and among U.S. Bank National Association (as successor to Bank of America National Trust and Savings Association), the Anaheim Public Improvement Corporation, and the City of Anaheim, California.

“Verification Agent” means Grant Thornton LLP, certified public accountants.

“Verification Report” means the verification report, dated _____, 2014, prepared by the Verification Agent verifying the amount of money deposited in the Escrow Fund pursuant to this Escrow Agreement, without investment, is sufficient to pay all Escrow Requirements when due.

Section 2. Establishment, Funding and Maintenance of Escrow Fund.

(a) The Escrow Agent agrees to establish a separate irrevocable fund designated as the Anaheim Community Center Authority 1993 Convention Center Certificates Escrow Fund. The Escrow Agent shall maintain the Escrow Fund until the termination of this Escrow Agreement pursuant to Section 9 hereof and hold moneys therein at all times as a special and separate trust fund wholly segregated from all other securities, investments or moneys on deposit with or otherwise held by the Escrow Agent.

(b) There has been deposited with the Escrow Agent the sum of \$ _____, which is derived from the proceeds of the Bonds, together with \$ _____ of available moneys on deposit in certain funds and accounts established pursuant to the Trust Agreement, and which amount is to be deposited in the Escrow Fund and invested and disbursed in accordance with this Escrow Agreement.

(c) All moneys in the Escrow Fund are hereby irrevocably transferred to the Escrow Agent on behalf of the owners of the Refunded Certificates to be applied, as provided herein, to the payment of the Escrow Requirements when due in accordance with this Escrow Agreement.

(d) The City hereby waives any rights that it may have under the Indenture or any other document or agreement relating to the Refunded Certificates (i) to give instructions as to the investment of the amounts deposited in the Escrow Fund, or (ii) to any of the moneys that remain in the Escrow Fund after the payment of the Escrow Requirements.

(e) The City acknowledges that it has no right, title or interest in or to any money or other property held in the Escrow Fund, notwithstanding any provision of the Indenture or any other document or agreement relating to the Refunded Certificates to the contrary. Under no circumstances shall any such money, securities, or other property be paid or delivered to or for the order of the City, except as set forth in Section 5 hereof.

(f) The City and the Escrow Agent acknowledge receipt of the Opinion of Bond Counsel referred to in Article XIV of the Trust Agreement and the Verification Report.

Section 3. No Investment of Moneys in the Escrow Fund.

(a) On the date hereof, \$_____, which is all of the money on deposit in the Escrow Fund is to be held uninvested as cash.

(b) The Escrow Agent acknowledges receipt of the Verification Report, and the Escrow Agent may conclusively rely upon the conclusions of the Verification Report to the effect that the moneys in the Escrow Fund shall be necessary and sufficient to pay the Escrow Requirements when due.

(c) The Escrow Agent shall hold all money in the Escrow Fund, in trust to be applied to the payment of the Escrow Requirements.

Section 4. Payment and Redemption of the Refunded Certificates. The City hereby elects to discharge and pay the Refunded Certificates as provided in this Escrow Agreement. The City hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit money in the Escrow Fund and to apply, to the extent necessary, such amounts to the payment of the Escrow Requirements when due. The City hereby requests and irrevocably instructs the Escrow Agent to redeem the Refunded Certificates on the Redemption Date at a redemption price of par, plus unpaid accrued interest, and to give notice of such redemption as set forth in Section 4.03 of the Trust Agreement. The Escrow Agent acknowledges that the provisions of this Section 4 are satisfactory provisions for the giving of the notice of the redemption of the Refunded Certificates. The City hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to give the notice of defeasance in the form set forth in Exhibit A herein, on _____. The Escrow Agent further acknowledges that this Escrow Agreement constitutes irrevocable instructions to apply money in the Escrow Fund to the payment of principal, interest and premium as set forth in the Escrow Requirements.

Section 5. Transfer of Funds After Payment of Redemption Price. The City hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to transfer any money remaining in the Escrow Fund after the payment of the amounts due on the redemption of the Refunded Certificates on the Redemption Date to the Construction Fund established under the Indenture.

Section 6. Fees and Costs.

(a) The Escrow Agent's fees and costs for acting as Escrow Agent under this Escrow Agreement are to be agreed upon by the Escrow Agent and the City and paid by the City. The annual fees and costs of the Escrow Agent for any other duties to be carried out by it under the Trust Agreement shall continue as previously agreed upon between the Escrow Agent and the City.

(b) The Escrow Agent shall also be entitled to additional reasonable fees and reimbursements for costs incurred, to be paid by the City, including but not limited to legal and accountants' services, in connection with any litigation not arising from the Escrow Agent's

negligence or willful misconduct which may at any time be instituted involving this Escrow Agreement.

(c) The fees of and the costs incurred by the Escrow Agent shall in no event be deducted or payable from or constitute a lien against the Escrow Fund or any moneys in the Escrow Fund.

Section 7. Indemnification. The City hereby assumes liability for and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. The indemnities contained in this Section shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Agent.

Section 8. Resignation of Escrow Agent; Replacement of Escrow Agent.

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

Section 9. Termination; Unclaimed Money. This Escrow Agreement shall terminate when all moneys are transferred from the Escrow Fund as provided Sections 4 and 5 hereof.

Section 10. Rights, Duties and Obligations of Escrow Agent. Subject to the provisions of Section 5 hereof, moneys held by the Escrow Agent hereunder are to be held and applied for the payment of the Escrow Requirements when due in accordance with the terms hereof. The rights, duties and obligations of the Escrow Agent shall, except as otherwise expressly provided herein, be governed by the applicable provisions of the Trust Agreement which by this reference are hereby incorporated into this Escrow Agreement as if set forth in full herein.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement. Notice of the invalidity or unenforceability of any such section, paragraph, section, clause or provision shall be given to the Municipal Bond Insurer. The provisions of this Escrow Agreement shall be unalterable, subject to the provisions of Section 12 hereof.

Section 12. Amendment. The parties hereto may, without the consent of or notice to the holders of the Refunded Certificates, enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such holders hereunder for either of the following purposes; provided, however, that the Municipal Bond Insurer shall be provided with copies of any such agreements supplemental to this Escrow Agreement prior to their execution:

(a) to cure any ambiguity or formal defect or omission in this Escrow Agreement; and

(b) to grant or confer upon the Escrow Agent for the benefit of the holders of the Refunded Certificates any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall enter into such agreements only upon receipt by the Escrow Agent of, and shall be entitled to rely conclusively upon, an Opinion of Bond Counsel to the effect that any such agreement complies with this Section 12.

Section 13. Execution of Counterparts. This Escrow Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 14. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given (i) if hand delivered or delivered by courier, when delivered to the appropriate notice address, or (ii) if mailed by first class mail, postage prepaid, six business days after deposit in the United States mail addressed to the appropriate notice address. The parties listed below may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

As to the City: City of Anaheim
200 South Anaheim Boulevard, Suite 643
Anaheim, California 92805
Attention: Finance Director

As to the Escrow Agent: U.S. Bank National Association.
633 West Fifth Street
Los Angeles, California 90071
Attention: Global Corporate Trust Services
Re: Anaheim Housing and Public Improvements Authority
1993 Escrow Fund

Section 15. Governing Law; Venue. This Escrow Agreement shall be construed in accordance with and governed by the constitution and the laws of the State of California (the “State”) applicable to contracts made and performed in the State. This Escrow Agreement shall be enforceable in the State, and any action arising out of this Escrow Agreement shall be filed and maintained in the Orange County Superior Court, Santa Ana, California, unless the City waives this requirement.

Section 16. Immunities and Liabilities of Escrow Agent.

(a) The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

(b) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages. The Escrow Agent shall have no duty or responsibility under this Escrow Agreement in the case of any default in the performance of the covenants or agreements of any other party contained in the Indenture; provided that, notwithstanding any such default, the Escrow Agent shall apply the moneys in the Escrow Fund to the Escrow Requirements when due as provided in this Escrow Agreement. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(c) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the City), and the written opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

(d) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein, in the Trust Agreement, other than recitals or representations specifically made by the Escrow Agent.

(e) The Escrow Agent may become the owner of, or acquire any interest in, any of the Bonds, the Refunded Certificates or any bonds or other securities of the Anaheim Public Improvement Corporation, AHPIA, or the City with the same rights that it would have if

it were not the Escrow Agent and may engage or be interested in any financial or other transaction with the Anaheim Public Improvement Corporation, AHPIA, or the City .

(f) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or securities deposited with it to pay the Escrow Requirements when due.

(g) The Escrow Agent shall not be liable for any action or omission of the City under this Escrow Agreement or the Trust Agreement.

(h) Whenever in the administration of this Escrow Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of any authorized representative of the City, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

(i) The Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Escrow Agreement and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent in connection with this Escrow Agreement and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(j) The liability of the Escrow Agent to make the payments required by Section 4 shall be limited to the moneys in the Escrow Fund.

(k) No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be signed in their respective names by their duly authorized officers, all as of the day and year first above written.

CITY OF ANAHEIM

By: _____
Deborah A. Moreno, Finance Director

APPROVED AS TO FORM:

MICHAEL R.W. HOUSTON,
CITY ATTORNEY

By: _____

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF DEFEASANCE

**CERTIFICATES OF PARTICIPATION
(1993 LAND ACQUISITION REFINANCING PROJECT)
Evidencing Direct, Undivided Fractional Interests of
the Owners Thereof in Lease Payments to be made by the
City of Anaheim, California
As the Rental for Certain Property Pursuant to a Lease Agreement with the
Anaheim Public Improvement Corporation**

NOTICE OF DEFEASANCE

TO: Owners of the above-captioned certificates of participation identified by the maturity dates and corresponding CUSIP numbers set forth below (the "Certificates").

U.S. Bank National Association acts as the Trustee (the "Trustee") with respect to the Certificates pursuant to a Trust Agreement, dated as of November 1, 1993 (the "Trust Agreement"), by and among the Anaheim Public Improvement Corporation (the "Corporation"), the City of Anaheim (the "City") and the Trustee, as successor trustee.

You are hereby notified that:

(i) On _____, the following principal amount of the following Certificates will be called for redemption by the City pursuant to the Trust Agreement:

<u>Maturity Date</u>	<u>Par Amount</u>	<u>CUSIP No.¹</u>
November 1, 2019	\$_____	032540MJ2

(ii) The deposit required by Section 14.01 of the Trust Agreement has been made with the Trustee and the Certificates are deemed to have been paid in accordance with Section 14.01 of the Trust Agreement; and

(iii) The Trustee will send a notice of redemption to the Owners of the Certificates prior to the redemption date in accordance with the requirements of the Trust Agreement.

By: U.S. Bank National Association, as Trustee

Dated: _____, 2014

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE OF DEFEASANCE IS FOR INFORMATIONAL PURPOSES ONLY, AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OF THE CERTIFICATES.

¹ CUSIP® is a registered trademark of the American Bankers Association. Copyright© 1999-2014 American Bankers Association. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP® numbers are provided for convenience of reference only. None of the City, the Corporation or the Trustee take any responsibility for the accuracy of such numbers.