

Attachment 5

Escrow Agreement Series 2015A

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ESCROW AGREEMENT

by and between the

CITY OF PASADENA, CALIFORNIA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee and Escrow Agent

Dated as of \_\_\_\_\_, 2019

Pertaining to the Defeasance of  
the Currently Outstanding

CITY OF PASADENA  
Taxable Pension Obligation Refunding Bonds

Series 2015A  
(Fixed Rate Bonds)

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## ESCROW AGREEMENT

This Escrow Agreement (this "Agreement"), made and entered into as of \_\_\_\_\_, 2019, by and between the CITY OF PASADENA, CALIFORNIA, (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and validly existing under and by virtue of the laws of the United States of America, as Escrow Agent and Trustee (the "Escrow Agent" and "Trustee");

### WITNESSETH:

**WHEREAS**, in May 2015, the City issued \$71,110,000 of City of Pasadena Taxable Pension Obligation Refunding Bonds, Series 2015A (Fixed Rate Bonds) (the "2015A Bonds") pursuant to a Trust Agreement, dated as of August 1, 1999 (as amended and supplemented, the "Trust Agreement"), by and between the City and the Trustee, to pay and refinance the 1999 Bonds and the 2004 Bonds; and

**WHEREAS**, the City has approved (i) the issuance of its City of Pasadena Taxable Pension Obligation Refunding Bonds, Series 2019A (the "Series 2019A Bonds"), in the principal amount of \_\_\_\_\_, a portion of the proceeds of which are to be used, together with certain other available funds, to defease the 2015A Bonds (the portion of such bonds defeased also referred to as the "Refunded Bonds"); and

**WHEREAS**, on or about \_\_\_\_\_, 2019 the City caused the Trustee to give notice of the redemption of all of the Refunded Bonds in accordance with Sections 2.10 and 10.06 of the Trust Agreement and Section 12.08 of the Second Supplemental Trust Agreement;

**NOW, THEREFORE**, in consideration of the mutual premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION 1.** Any terms used in this Escrow Agreement and not defined herein shall have the meaning ascribed to such term in the Trust Agreement. As used herein, the following terms shall have the following meanings:

"2015A Escrow Fund" means the 2015A Escrow Fund established and held by the Escrow Agent pursuant to Section 3 hereof.

"Escrow Requirements" means an amount sufficient to pay the principal of, redemption price, and interest on the Refunded Bonds through and including the Redemption Date, as shown on Exhibit A hereto.

"Escrow Securities" means such securities eligible to be used to defease the Refunded Bonds under the Trust Agreement and deposited in the Escrow Fund pursuant to Section 5 hereof.

"Redemption Date" means \_\_\_\_\_, which is the date on which all the Refunded Bonds are to be redeemed or paid.

**SECTION 2.** The City hereby appoints The Bank of New York Mellon Trust Company, N.A. as Escrow Agent under this Agreement for the benefit of the holders of the Refunded Bonds. The Escrow Agent hereby accepts the duties and obligations of Escrow Agent under this Agreement and agrees that the irrevocable instructions to the Escrow Agent herein provided are in a form satisfactory to it. The applicable and necessary provisions of the Trust Agreement, including particularly the redemption provisions thereof, are incorporated herein by reference. Reference herein to, or citation herein of, any provisions of the Trust Agreement shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

**SECTION 3.** Pursuant to this Agreement, there is created and established with the Escrow Agent a special and irrevocable trust fund designated the 2015A Escrow Fund to be held by the Escrow Agent separate and apart from all other funds and accounts, and used only for the purposes and in the manner provided in this Agreement.

**SECTION 4.** The City herewith deposits, or causes to be deposited, with the Escrow Agent into the 2015A Escrow Fund, as follows:

2015A Escrow Fund. The City hereby irrevocably deposits into the 2015A Escrow Fund \$ \_\_\_\_\_ in immediately available funds comprised of a portion of the net proceeds of the sale of the Series 2019A Bonds (in the amount of \$ \_\_\_\_\_) [and other available moneys from the City (in the amount of \$ \_\_\_\_\_)].

**SECTION 5.** The Escrow Agent acknowledges receipt of the moneys described in Section 4. The Escrow Agent agrees immediately to invest \$ \_\_\_\_\_ of amounts in the 2015A Escrow Fund in the Escrow Securities set forth in Exhibit B hereto and to retain the amount of \$ \_\_\_\_\_ uninvested. Such amounts shall be applied by the Escrow Agent to the payment of the Escrow Requirements for the equal and ratable benefit of the holders of the Refunded Bonds.

The Escrow Agent shall furnish the City periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the City. Upon the City's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Escrow Agent may conclusively rely upon the sufficiency verification report issued by \_\_\_\_\_, dated \_\_\_\_\_ as to the sufficiency of the funds to make the payments required for a full redemption of the outstanding Refunded Bonds.

**SECTION 6.** The City hereby directs and the Escrow Agent hereby agrees that the Escrow Agent will perform all the duties expressly required to be taken by it hereunder. The liability of the Escrow Agent for the payment of the Escrow Requirements shall be limited to the

application, in accordance with this Agreement, of the moneys and Escrow Securities available for such purposes in the Escrow Fund.

**SECTION 7.** The City irrevocably instructs the Escrow Agent to pay to the Trustee from amounts held in the 2015A Escrow Fund, the amount equal to the redemption price of the remaining principal amount of the Refunded Bonds called for redemption on the Redemption Date, plus interest accrued thereon to the Redemption Date, all as shown on Exhibit A hereto. The Trustee has previously mailed notices of redemption of the Refunded Bonds pursuant to an instruction of the City. The City irrevocably instructs the Trustee under the Trust Agreement to mail notices of defeasance of the Refunded Bonds as provided therein in the forms attached as Exhibit C hereto on \_\_\_\_\_.

**SECTION 8.** The trust hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien limited to all moneys and Escrow Securities in the Escrow Fund, including the interest earnings thereon, until paid out, used and applied in accordance with this Agreement. The owners of the 2015A Bonds shall have a lien on moneys in the 2015A Escrow Fund, including any redemption premium thereon, in accordance with this Agreement until such moneys and such securities are used and applied as provided in this Agreement.

**SECTION 9.** This Agreement is made pursuant to and in furtherance of the Trust Agreement and for the benefit of the City and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered, amended or supplemented without the written consent of all such holders and the written consent of the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders enter into such amendments or supplements as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure an ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or agency that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to transfer to the Escrow Agent and make subject to this Agreement additional funds, securities or properties.

The Escrow Agent and Trustee shall be entitled to conclusively rely upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

**SECTION 10.** In consideration of the services rendered by the Escrow Agent under this Agreement, the City agrees to and shall pay to the Escrow Agent its fees, plus expenses, including all reasonable expenses, charges, counsel fees and other disbursements incurred by it

or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, and the Escrow Agent shall have no lien whatsoever upon any of the moneys or Escrow Securities in the 2015A Escrow Fund for the payment of such proper fees and expenses.

**SECTION 11.** The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than 60 days' written notice to the City and the Trustee, specifying the date when such resignation will take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded Bonds or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the City and the Trustee and signed by the holders of a majority in principal amount of the Refunded Bonds.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in the case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Escrow Agent may be appointed by the holders of a majority in principal amount of the Refunded Bonds, by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys-in-fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in principal amount of the Refunded Bonds, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the City pursuant to the foregoing provisions of this Section within 60 days after written notice of the removal or resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation or institution with trust powers organized under the financial institution laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than \$50,000,000. For purpose of this Section 11, a corporation or institution with trust powers organized under the financial institution laws of the United States of America or any state shall be deemed to have combined capital and surplus of at least \$50,000,000 if it has a combined capital surplus of at least \$20,000,000 and is a wholly-owned subsidiary of a corporation having a combined capital and surplus of at least \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trust, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all moneys and Escrow Securities held by it to its successor. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the City.

Any corporation or association into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party or any successor to a substantial portion of the Escrow Agent's corporate trust business, shall, if it meets the qualifications set forth in the fifth paragraph of this Section, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The liability of the Escrow Agent to make payments required in this Agreement shall be limited to the moneys and Escrow Securities in the 2015A Escrow Fund.

**SECTION 12.** The Escrow Agent shall have no power or duty to invest any funds held under this Agreement except as provided in Sections 4 and 5 hereof. The Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys or Escrow Securities held hereunder except as provided in this Agreement.

**SECTION 13.** To the extent permitted by law, 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 keep harmless the Escrow Agent and its successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the City or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement. The City shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's successors, assigns, agents and employees or the material breach by the Escrow Agent of the terms of this Agreement. In no

event shall the City or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent. The City shall pay the Escrow Agent full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase of any Escrow Securities after the date hereof. Under no circumstances shall amounts deposited in or credited to the 2015A Escrow Fund be deemed to be available for said purposes.

**SECTION 14.** The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the moneys and the Escrow Securities to accomplish the redemption of the Refunded Bonds pursuant to the Trust Agreement or to the validity of this Agreement as to the City and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's successors, assigns, agents and employees, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City, 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 Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this 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 nationally recognized bond counsel) may be deemed to be conclusively established by a written certification of the City. Whenever the Escrow Agent 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 nationally recognized bond counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by such a certificate or such an opinion. The Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Agreement.

No provision of this 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.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers")



and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

**SECTION 15.** This Agreement shall terminate upon payment of all Refunded Bonds on the Redemption Date. Upon such termination, all moneys and Escrow Securities remaining in the Escrow Fund after payment of all fees and expenses of the Escrow Agent shall be released to the City.

**SECTION 16.** This Agreement is made in the State of California under the Constitution and laws of the State of California and is to so be construed.

**SECTION 17.** If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

All the covenants, promises and agreements in this Agreement contained by or on behalf of the City or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 18.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers as of the date first-above written.

CITY OF PASADENA, CALIFORNIA

By: \_\_\_\_\_  
Director of Finance

ATTEST:

By \_\_\_\_\_  
City Clerk

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**ESCROW REQUIREMENTS**

**EXHIBIT B**  
**SCHEDULE OF ESCROW SECURITIES**

**Exhibit C**  
**FORMS OF DEFEASANCE NOTICES**

**NOTICE OF DEFEASANCE**

**CITY OF PASADENA**  
**Taxable Pension Obligation Refunding Bonds**

**SERIES 2015A**  
**(Fixed Rate Bonds)**

Notice is hereby given to the owners of the City of Pasadena Taxable Pension Obligation Refunding Bonds, Series 2015A (Fixed Rate Bonds) listed in Appendix A hereto (the "**Defeased Bonds**") that there has been deposited with The Bank of New York Mellon Trust Company, N.A. (the "**Escrow Agent**"), moneys and certain securities as permitted by the Trust Agreement, dated as of August 1, 1999, as amended and supplemented, by and between the City of Pasadena (the "**City**") and The Bank of New York Mellon Trust Company, N.A., as successor trustee, which will be sufficient to pay the principal amount of the Defeased Bonds, together with interest accrued thereon to \_\_\_\_\_ (the "**Redemption Date**"), on the Redemption Date.

Upon such deposit with the Escrow Agent, all liability of the City with respect of the Defeased Bonds has ceased, terminated and been completely discharged; provided, however, that the owners of the Defeased Bonds are entitled to the payment of the principal, premium, and interest on the Defeased Bonds, and the City shall remain liable for such payment, but only out of the money deposited as described above.

Dated this \_\_\_\_\_

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

APPENDIX A

DESCRIPTION OF THE DEFEASED BONDS

<u>Maturity</u> <u>(May 1)</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Principal</u> <u>Amount</u> <u>Defeased</u>	<u>CUSIP</u>
2045*	Fixed	\$		

\*Term Bond

Neither the City nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its corrections indicated in this Notice of Defeasance. It is included solely for convenience of the owners of the Bonds.

Attachment 6

Escrow Agreement Series 2015B



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ESCROW AGREEMENT

by and between the

CITY OF PASADENA, CALIFORNIA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee and Escrow Agent

Dated as of \_\_\_\_\_, 2019

Pertaining to the Defeasance of  
the Currently Outstanding

CITY OF PASADENA  
Taxable Pension Obligation Refunding Bonds

Series 2015B  
(Fixed Rate Bonds)

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## ESCROW AGREEMENT

This Escrow Agreement (this "Agreement"), made and entered into as of \_\_\_\_\_, 2019, by and between the CITY OF PASADENA, CALIFORNIA, (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and validly existing under and by virtue of the laws of the United States of America, as Escrow Agent and Trustee (the "Escrow Agent" and "Trustee");

### WITNESSETH:

**WHEREAS**, in May 2015, the City issued \$48,350,000 of City of Pasadena Taxable Pension Obligation Refunding Bonds, Series 2015B (Fixed Rate Bonds) (the "2015B Bonds") pursuant to a Trust Agreement, dated as of March 1, 2012 (as amended and supplemented, the "Trust Agreement"), by and between the City and the Trustee, to pay and refinance the 2012 Bonds; and

**WHEREAS**, the City has approved (i) the issuance of its City of Pasadena Taxable Pension Obligation Refunding Bonds, Series 2019B (the "Series 2019B Bonds"), in the principal amount of \_\_\_\_\_, a portion of the proceeds of which are to be used, together with certain other available funds, to defease the 2015B Bonds (the portion of such bonds defeased also referred to as the "Refunded Bonds"); and

**WHEREAS**, on or about \_\_\_\_\_, 2019 the City caused the Trustee to give notice of the redemption of all of the Refunded Bonds in accordance with Sections 2.10, 10.06 and Section 12.08 of the Trust Agreement;

**NOW, THEREFORE**, in consideration of the mutual premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION 1.** Any terms used in this Escrow Agreement and not defined herein shall have the meaning ascribed to such term in the Trust Agreement. As used herein, the following terms shall have the following meanings:

"2015B Escrow Fund" means the 2015B Escrow Fund established and held by the Escrow Agent pursuant to Section 3 hereof.

"Escrow Requirements" means an amount sufficient to pay the principal of, redemption price, and interest on the Refunded Bonds through and including the Redemption Date, as shown on Exhibit A hereto.

"Escrow Securities" means such securities eligible to be used to defease the Refunded Bonds under the Trust Agreement and deposited in the Escrow Fund pursuant to Section 5 hereof.

"Redemption Date" means \_\_\_\_\_, which is the date on which all the Refunded Bonds are to be redeemed or paid.

**SECTION 2.** The City hereby appoints The Bank of New York Mellon Trust Company, N.A. as Escrow Agent under this Agreement for the benefit of the holders of the Refunded Bonds. The Escrow Agent hereby accepts the duties and obligations of Escrow Agent under this Agreement and agrees that the irrevocable instructions to the Escrow Agent herein provided are in a form satisfactory to it. The applicable and necessary provisions of the Trust Agreement, including particularly the redemption provisions thereof, are incorporated herein by reference. Reference herein to, or citation herein of, any provisions of the Trust Agreement shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

**SECTION 3.** Pursuant to this Agreement, there is created and established with the Escrow Agent a special and irrevocable trust fund designated the 2015B Escrow Fund to be held by the Escrow Agent separate and apart from all other funds and accounts, and used only for the purposes and in the manner provided in this Agreement.

**SECTION 4.** The City herewith deposits, or causes to be deposited, with the Escrow Agent into the 2015B Escrow Fund, as follows:

2015B Escrow Fund. The City hereby irrevocably deposits into the 2015B Escrow Fund \$ \_\_\_\_\_ in immediately available funds comprised of a portion of the net proceeds of the sale of the Series 2019B Bonds (in the amount of \$ \_\_\_\_\_) [and other available moneys from the City (in the amount of \$ \_\_\_\_\_)].

**SECTION 5.** The Escrow Agent acknowledges receipt of the moneys described in Section 4. The Escrow Agent agrees immediately to invest \$ \_\_\_\_\_ of amounts in the 2015B Escrow Fund in the Escrow Securities set forth in Exhibit B hereto and to retain the amount of \$ \_\_\_\_\_ uninvested. Such amounts shall be applied by the Escrow Agent to the payment of the Escrow Requirements for the equal and ratable benefit of the holders of the Refunded Bonds.

The Escrow Agent shall furnish the City periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the City. Upon the City's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Escrow Agent may conclusively rely upon the sufficiency verification report issued by \_\_\_\_\_, dated \_\_\_\_\_ as to the sufficiency of the funds to make the payments required for a full redemption of the outstanding Refunded Bonds.

**SECTION 6.** The City hereby directs and the Escrow Agent hereby agrees that the Escrow Agent will perform all the duties expressly required to be taken by it hereunder. The liability of the Escrow Agent for the payment of the Escrow Requirements shall be limited to the

application, in accordance with this Agreement, of the moneys and Escrow Securities available for such purposes in the Escrow Fund.

**SECTION 7.** The City irrevocably instructs the Escrow Agent to pay to the Trustee from amounts held in the 2015B Escrow Fund, the amount equal to the redemption price of the remaining principal amount of the Refunded Bonds called for redemption on the Redemption Date, plus interest accrued thereon to the Redemption Date, all as shown on Exhibit A hereto. The Trustee has previously mailed notices of redemption of the Refunded Bonds pursuant to an instruction of the City. The City irrevocably instructs the Trustee under the Trust Agreement to mail notices of defeasance of the Refunded Bonds as provided therein in the forms attached as Exhibit C hereto on \_\_\_\_\_.

**SECTION 8.** The trust hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien limited to all moneys and Escrow Securities in the Escrow Fund, including the interest earnings thereon, until paid out, used and applied in accordance with this Agreement. The owners of the 2015B Bonds shall have a lien on moneys in the 2015B Escrow Fund, including any redemption premium thereon, in accordance with this Agreement until such moneys and such securities are used and applied as provided in this Agreement.

**SECTION 9.** This Agreement is made pursuant to and in furtherance of the Trust Agreement and for the benefit of the City and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered, amended or supplemented without the written consent of all such holders and the written consent of the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders enter into such amendments or supplements as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure an ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or agency that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to transfer to the Escrow Agent and make subject to this Agreement additional funds, securities or properties.

The Escrow Agent and Trustee shall be entitled to conclusively rely upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

**SECTION 10.** In consideration of the services rendered by the Escrow Agent under this Agreement, the City agrees to and shall pay to the Escrow Agent its fees, plus expenses, including all reasonable expenses, charges, counsel fees and other disbursements incurred by it or by its attorneys, agents and employees in and about the performance of their powers and duties

hereunder, and the Escrow Agent shall have no lien whatsoever upon any of the moneys or Escrow Securities in the 2015B Escrow Fund for the payment of such proper fees and expenses.

**SECTION 11.** The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than 60 days' written notice to the City and the Trustee, specifying the date when such resignation will take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded Bonds or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the City and the Trustee and signed by the holders of a majority in principal amount of the Refunded Bonds.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in the case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Escrow Agent may be appointed by the holders of a majority in principal amount of the Refunded Bonds, by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys-in-fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in principal amount of the Refunded Bonds, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the City pursuant to the foregoing provisions of this Section within 60 days after written notice of the removal or resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation or institution with trust powers organized under the financial institution laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than \$50,000,000. For purpose of this Section 11, a corporation or institution with trust powers organized under the financial institution laws of the United States of America or any state shall be deemed to have combined capital and surplus of at least \$50,000,000 if it has a combined capital surplus of at least \$20,000,000 and is a wholly-owned subsidiary of a corporation having a combined capital and surplus of at least \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent without any further act, deed or

conveyance, shall become fully vested with all the rights, immunities, powers, trust, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all moneys and Escrow Securities held by it to its successor. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the City.

Any corporation or association into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party or any successor to a substantial portion of the Escrow Agent's corporate trust business, shall, if it meets the qualifications set forth in the fifth paragraph of this Section, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The liability of the Escrow Agent to make payments required in this Agreement shall be limited to the moneys and Escrow Securities in the 2015B Escrow Fund.

**SECTION 12.** The Escrow Agent shall have no power or duty to invest any funds held under this Agreement except as provided in Sections 4 and 5 hereof. The Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys or Escrow Securities held hereunder except as provided in this Agreement.

**SECTION 13.** To the extent permitted by law, 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 keep harmless the Escrow Agent and its successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the City or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement. The City shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's successors, assigns, agents and employees or the material breach by the Escrow Agent of the terms of this Agreement. In no event shall the City or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent. The City shall pay the Escrow Agent full

compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase of any Escrow Securities after the date hereof. Under no circumstances shall amounts deposited in or credited to the 2015B Escrow Fund be deemed to be available for said purposes.

**SECTION 14.** The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the moneys and the Escrow Securities to accomplish the redemption of the Refunded Bonds pursuant to the Trust Agreement or to the validity of this Agreement as to the City and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's successors, assigns, agents and employees, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City, 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 Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this 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 nationally recognized bond counsel) may be deemed to be conclusively established by a written certification of the City. Whenever the Escrow Agent 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 nationally recognized bond counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by such a certificate or such an opinion. The Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Agreement.

No provision of this 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.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Escrow Agent

cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

**SECTION 15.** This Agreement shall terminate upon payment of all Refunded Bonds on the Redemption Date. Upon such termination, all moneys and Escrow Securities remaining in the Escrow Fund after payment of all fees and expenses of the Escrow Agent shall be released to the City.

**SECTION 16.** This Agreement is made in the State of California under the Constitution and laws of the State of California and is to so be construed.

**SECTION 17.** If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

All the covenants, promises and agreements in this Agreement contained by or on behalf of the City or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 18.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.



IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers as of the date first-above written.

CITY OF PASADENA, CALIFORNIA

By: \_\_\_\_\_  
Director of Finance

ATTEST:

By \_\_\_\_\_  
City Clerk

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**ESCROW REQUIREMENTS**

**EXHIBIT B**

**SCHEDULE OF ESCROW SECURITIES**

**Exhibit C**  
**FORMS OF DEFEASANCE NOTICES**

**NOTICE OF DEFEASANCE**

**CITY OF PASADENA**  
**Taxable Pension Obligation Refunding Bonds**

**Series 2015B**  
**(Fixed Rate Bonds)**

Notice is hereby given to the owners of the City of Pasadena Taxable Pension Obligation Refunding Bonds, Series 2015B (Fixed Rate Bonds) listed in Appendix A hereto (the “**Defeased Bonds**”) that there has been deposited with The Bank of New York Mellon Trust Company, N.A. (the “**Escrow Agent**”), moneys and certain securities as permitted by the Trust Agreement, dated as of March 1, 2012, as amended and supplemented, by and between the City of Pasadena (the “**City**”) and The Bank of New York Mellon Trust Company, N.A., as successor trustee, which will be sufficient to pay the principal amount of the Defeased Bonds, together with interest accrued thereon to \_\_\_\_\_ (the “**Redemption Date**”), on the Redemption Date.

Upon such deposit with the Escrow Agent, all liability of the City with respect of the Defeased Bonds has ceased, terminated and been completely discharged; provided, however, that the owners of the Defeased Bonds are entitled to the payment of the principal, premium, and interest on the Defeased Bonds, and the City shall remain liable for such payment, but only out of the money deposited as described above.

Dated this \_\_\_\_\_

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

**APPENDIX A**

**DESCRIPTION OF THE DEFEASED BONDS**

<b><u>Maturity</u></b> <b><u>(May 1)</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Original</u></b> <b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b> <b><u>Defeased</u></b>	<b><u>CUSIP</u></b>
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\_\_\_\_\_  
\*Term Bond

Neither the City nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its corrections indicated in this Notice of Defeasance. It is included solely for convenience of the owners of the Bonds.