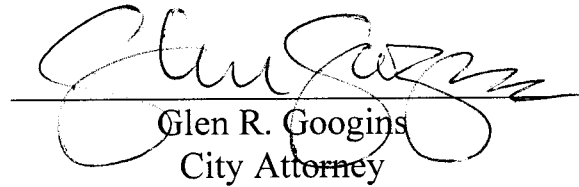


THE ATTACHED AGREEMENT HAS BEEN REVIEWED
AND APPROVED AS TO FORM BY THE CITY
ATTORNEY'S OFFICE AND WILL BE
FORMALLY SIGNED UPON APPROVAL BY
THE CITY COUNCIL


Glen R. Googins
City Attorney

Dated: 6/11/15

ESCROW DEPOSIT AND TRUST AGREEMENT
BETWEEN
THE CITY OF CHULA VISTA
COMMUNITY FACILITIES DISTRICT NO. 2001-1
(SAN MIGUEL RANCH)
AND
U.S. BANK NATIONAL ASSOCIATION

ESCROW DEPOSIT AND TRUST AGREEMENT

by and between the

**CITY OF CHULA VISTA
COMMUNITY FACILITIES DISTRICT NO. 2001-1
(SAN MIGUEL RANCH)**

and

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Bank**

Dated as of _____ 1, 2015

Related to

**City of Chula Vista
Community Facilities District No. 2001-1
(San Miguel Ranch)
2005 Improvement Area B Special Tax Bonds**

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT, dated as of _____ 1, 2015 (the "Escrow Agreement", by and between the CITY OF CHULA VISTA COMMUNITY FACILITIES DISTRICT NO. 2001-1 (SAN MIGUEL RANCH), a community facilities district organized and existing by virtue of the Constitution and laws of the State of California (the "Community Facilities District"), and U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank (the "Escrow Bank");

WITNESSETH:

WHEREAS, the Community Facilities District has heretofore entered into a Bond Indenture, dated as of December 1, 2005, (the "Prior Bond Indenture"), with U.S. Bank National Association (the "Prior Fiscal Agent") ; and

WHEREAS, pursuant to the Prior Indenture the Community Facilities District issued its City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) 2005 Improvement Area B Special Tax Bonds in the original principal amount of \$12,230,000 (the "Prior Special Tax Bonds"); and

WHEREAS, the Prior Indenture provides that in the event that the Community Facilities District deposits moneys which, together with the amounts then on deposit in the funds established pursuant to the Prior Bond Indenture (exclusive of the Rebate Fund) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on the Prior Special Tax Bonds, as and when the same shall be become due and payable, then, as the election of the District, and notwithstanding that any Outstanding Prior Special Tax Bonds shall not have been surrendered for payment, all obligations of the Community Facilities District under the Prior Indenture with respect to the Prior Special Tax Bonds, shall cease and terminate, except for the obligation of the Prior Fiscal Agent to pay or cause to be paid to the Owners of any such Prior Special Tax Bond not so surrendered and paid, all sums due thereon; and

WHEREAS, the Community Facilities District has determined that it is in the best interests of the Community Facilities District at this time to refinance the Prior Special Tax Bonds and cause the redemption thereof on September 1, 2015, at a redemption price of 100% of the principal amount thereof, together with redemption premium, plus accrued interest; and

WHEREAS, the Community Facilities District proposes to make the deposit of moneys and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the redemption of the Prior Special Tax Bonds in accordance with the instructions provided by this Escrow Agreement and of applying said payments to the payment and redemption of the Prior Special Tax Bonds in accordance with the Prior Indenture, and the Escrow Bank will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the Community Facilities District proposes to issue its \$_____ Community Facilities District No. 2001-1 (San Miguel Ranch) Improvement Area B Special Tax Refunding Bonds, Series 2015 (the "2015 Bonds") pursuant to that certain Fiscal Agent Agreement, dated as of _____ 1, 2015 (the "Fiscal Agent Agreement"), by and between the Community Facilities District and the Fiscal Agent; and

WHEREAS, the Community Facilities District wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Appointment of Escrow Bank. The Community Facilities District hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created by the Community Facilities District with, and to be held by, the Escrow Bank, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Community Facilities District and for the benefit of the owners of the Prior Special Tax Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall be held as a special fund for the payment of the debt service payments and redemption premium in accordance with the provisions of the Prior Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Community Facilities District of such fact and the Community Facilities District shall immediately cure such deficiency.

Section 3. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the Community Facilities District shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____ in immediately available funds which shall be derived as follows: \$_____ with respect to the Prior Special Tax Bonds comprised of \$_____ representing funds on deposit in the Reserve Fund and \$_____ representing funds on deposit in the Special Tax Fund and \$_____ to come from the proceeds of the 2015 Bonds.

The Escrow Bank shall hold all moneys deposited into the Escrow Fund in cash uninvested (the "Cash").

The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 4. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The Community Facilities District hereby irrevocably directs and instructs the Escrow Bank to redeem the outstanding Prior Special Tax Bonds in full on September 1, 2015 at a prepayment price of 100% of the principal amount thereof, together with redemption premium, all as more particularly set forth in Exhibit A attached hereto and hereby made a part hereof. For such purpose of call and redemption prior to maturity of the Prior

Special Tax Bonds, the Community Facilities District hereby instructs the Escrow Bank, and the Escrow Bank hereby agrees to cause to be given a conditional notice of redemption of the Prior Special Tax Bonds on or before July 31, 2015, such notice of redemption to be given substantially in the form set for in Exhibit B attached hereto and hereby made a part hereof and timely for redemption of the Prior Special Tax Bonds on September 1, 2015, in accordance with the applicable provisions of the Prior Indenture.

Section 5. Application of Certain Terms of Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Prior Special Tax Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Prior Indenture relating to the limitations from liability and protections afforded the Prior Fiscal Agent and the resignation and removal of the Prior Fiscal Agent are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 6. Compensation to Escrow Bank. The Community Facilities District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto pursuant to a separate agreement between the Community Facilities District and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 7. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Community Facilities District shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Community Facilities District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Community Facilities District 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 Bank 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 Bank (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 Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; *provided, however*, that the Community Facilities District shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities

contained in this Section 7 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the 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.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

No provision of this Escrow Agreement shall require the Escrow Bank 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.

Section 8. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Special Tax Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Community Facilities District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, or (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the Prior Special Tax Bonds or the Bonds, and that such amendment will not cause interest on the Prior Special Tax Bonds or the Bonds to become subject to federal income taxation.

Section 9. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Special Tax Bonds have been paid; *provided, however*, that (i) money held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Special Tax Bonds (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Community Facilities District free from the trust created by the Prior Indenture and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Special Tax Bonds shall be transferred to the Bond Fund under the Fiscal Agent Agreement.

Section 10. 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.

Section 11. Notice of Escrow Bank, Authority and Community Facilities District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as Prior Trustee in accordance with the provisions of the Prior Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the Community Facilities District shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Prior Indenture (or such other address as may have been filed in writing by the Community Facilities District with the Escrow Bank).

Section 12. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

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

IN WITNESS WHEREOF, the Community Facilities District and the Escrow Bank have each caused this Escrow Deposit and Trust Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF CHULA VISTA COMMUNITY
FACILITIES DISTRICT NO. 2001-1 (SAN
MIGUEL RANCH)

By: _____
Director of Finance

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Bank

By: _____
Authorized Officer

EXHIBIT A

PAYMENT SCHEDULE OF PRIOR SPECIAL TAX BONDS

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Debt Service Payment</u>
September 1, 2015	\$	\$	\$	\$

EXHIBIT B

**CONDITIONAL NOTICE OF REDEMPTION
(SUBJECT TO THE SALE AND DELIVERY OF REFUNDING BONDS)**

TO THE OWNERS OF

**City of Chula Vista
Community Facilities District No. 2001-1 (San Miguel Ranch)
2005 Improvement Area B Special Tax Bonds**

**Date of Notice: July 31, 2015
Date of Issuance: December 21, 2005
Date of Redemption: September 1, 2015**

NOTICE IS HEREBY GIVEN that pursuant to the applicable provisions of the governing documents of the above captioned bonds (the “Bonds”), \$_____ principal of the Bonds will be redeemed on **September 1, 2015** at the referenced price noted below, together with interest accrued to September 1, 2015, and further interest on the Bonds will not accrue from and after September 1, 2015. The record date is August 15, 2015.

CONDITIONAL PROVISION OF NOTICE: The advancing of the maturity and redemption of the Bonds is contingent on the City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) (the “Community Facilities District”) completing the sale and delivery of special tax refunding bonds of such Community Facilities District (the “Refunding Bonds”) to fund the redemption of the Bonds. The Refunding Bonds were priced on _____, 2015 and it is currently scheduled for the Community Facilities District to receive the proceeds of the sale of the Refunding Bonds on or about _____, 2015. However, if such Refunding Bonds are not sold and delivered prior to August 30, 2015, the Community Facilities District will not advance the maturity of and redeem the Bonds. In that event a notice will be mailed on or about August 30, 2015 to the registered owners of the Bonds advising them accordingly. If this Notice is rescinded by the Community Facilities District, such Notice shall be of no force and effect, and none of the Bonds shall be redeemed pursuant hereto.

Subject to the satisfaction of the above contingency, the following Bonds will be redeemed and paid upon presentation:

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Redemption</u> <u>Price</u>	<u>CUSIP</u> ©*
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Subject to the completion of the sale and delivery of the Refunding Bonds, on the date fixed for redemption there shall become due and payable on each Bond or portion thereof called for redemption, the redemption price stated above (representing the principal thereof, together with the redemption premium) and interest accrued to the redemption date, and from and after such date, interest thereon shall cease to accrue and be payable.

Called Bonds must be surrendered at the principal corporate trust office of U.S. Bank National Association, as Fiscal Agent, at the following address by U.S. Mail, Certified Mail, Registered Mail, Overnight Express or Delivery in Person:

U.S. Bank National Association
 Attn: Corporate Trust
 633 West Fifth Street, 24th Floor
 Los Angeles, CA 90071

City of Chula Vista Community Facilities
 District No. 2001-1 (San Miguel Ranch)
 By: U.S. Bank National Association as Fiscal
 Agent

DATED: July31, 2015

IMPORTANT TAX INFORMATION

Under various provisions of tax related acts passed by Congress, U.S. Bank National Association, as Fiscal Agent, may be obligated to withhold a certain percentage of the interest from the payment to owners who have failed to furnish the paying agent with a valid taxpayer identification number. Owners of Bonds who wish to avoid this withholding should submit a taxpayer identification number (for individuals the Social Security Number) or an exemption certificate when presenting their Bonds for payment.

** CUSIP numbers are included solely for the convenience of the owners. The Fiscal Agent and the Community Facilities District shall not be responsible for the use of the CUSIP numbers selected, nor is any representation made to their correctness indicated in the notice or as printed on any Bond.*

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