

ESCROW AGREEMENT

by and among

CITY OF LONG BEACH, CALIFORNIA
acting by and through its
BOARD OF HARBOR COMMISSIONERS,
as Issuer

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

and
U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

Relating to:

\$_[_____]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2005A

\$_[_____]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2005B

Dated [_____], 2015

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated [____], 2015 (this “**Escrow Agreement**”), is made by and among the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation, acting by and through its BOARD OF HARBOR COMMISSIONERS (the “**Issuer**”), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as fiscal agent pursuant to the Eleventh Supplemental Resolution (as hereinafter defined) (the “**Fiscal Agent**”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow agent (the “**Escrow Agent**”).

WITNESSETH:

WHEREAS, the Issuer has previously issued its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2005A (the “**Series 2005A Senior Bonds**”), and its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2005B (the “**Series 2005B Senior Bonds**”), pursuant to Article XII of the Charter of the City of Long Beach, California (the “**Charter**”), Title 3, Chapter 3.52, Division I of the Municipal Code of the City of Long Beach (the “**Municipal Code**”), certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, Resolution No. HD-1475, adopted by the Board of Harbor Commissioners of the City of Long Beach (the “**Board**”) on November 8, 1989, as amended (the “**Master Resolution**”), and Resolution No. HD-2242 adopted by the Board on February 28, 2005 (the “**Eleventh Supplemental Resolution**”);

WHEREAS, on [____], 2015, the Issuer issued \$[_____] aggregate principal amount of its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015A (the “**Series 2015A Senior Bonds**”), and \$[_____] aggregate principal amount of its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015B (the “**Series 2015B Senior Bonds**” and together with the Series 2015A Senior Bonds, the “**Series 2015 Senior Revenue Refunding Bonds**”) pursuant to the Charter, the Municipal Code, certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, the Master Resolution, and Resolution No. HD-[____] adopted by the Board on [____], 2015 (the “**Eighteenth Supplemental Resolution**”);

WHEREAS, a portion of the proceeds of the Series 2015A Senior Bonds, along with certain moneys on deposit in the [Bond Service Fund and the Series 2005 Reserve Fund] (as defined in the Eleventh Supplemental Resolution), will be used to pay and/or redeem all of the outstanding Series 2005A Senior Bonds (as described in more detail in Exhibit A attached hereto) (collectively, the “**Refunded Series 2005A Senior Bonds**”);

WHEREAS, a portion of the proceeds of the Series 2015B Senior Bonds, along with certain moneys on deposit in the Bond Service Fund, will be used to redeem all of the outstanding Series 2005B Senior Bonds (as described in more detail in Exhibit A attached hereto) (collectively, the “**Refunded Series 2005B Senior Bonds**,” and collectively with the Refunded Series 2005A Senior Bonds, the “**Refunded Bonds**”).

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Creation of Escrow Funds. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as “City of Long Beach,

California Harbor Revenue Refunding Bonds, Series 2005A Escrow Fund” (the “**Refunded Series 2005A Senior Bonds Escrow Fund**”) to be held in the custody of the Escrow Agent in escrow under this Escrow Agreement for the benefit of the owners of the Refunded Series 2005A Senior Bonds.

There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2005B Escrow Fund” (the “**Refunded Series 2005B Senior Bonds Escrow Fund**”) to be held in the custody of the Escrow Agent in escrow under this Escrow Agreement for the benefit of the owners of the Refunded Series 2005B Senior Bonds.

The Refunded Series 2005A Senior Bonds Escrow Fund and the Refunded Series 2005B Senior Bonds Escrow Fund are collectively referred to herein as the “**Escrow Funds**”.

Except as otherwise provided in Section 5 hereof, the Issuer shall have no interest in the funds or investments, if any, held in the Escrow Funds.

Section 2. Deposit to the Escrow Funds. Concurrently with the execution and delivery of this Escrow Agreement, the Issuer shall or shall cause the Treasurer of the City of Long Beach (the “**City Treasurer**”) to deposit with the Escrow Agent and the Issuer hereby directs the Escrow Agent to, and the Escrow Agent shall, deposit (a) \$[_____] to be derived from the proceeds of the sale of the Series 2015A Senior Bonds, (b) \$[_____] to be derived from the transfer of moneys on deposit in the Interest Account of the Bond Service Fund allocable to the Refunded Series 2005A Senior Bonds held by the City Treasurer pursuant to the Master Resolution and the Eleventh Supplemental Resolution, (c) \$[_____] to be derived from the transfer of moneys on deposit in the Principal Account of the Bond Service Fund allocable to the Refunded Series 2005A Senior Bonds held by the City Treasurer pursuant to the Master Resolution and the Eleventh Supplemental Resolution, and (d) \$[_____] to be derived from the transfer of moneys on deposit in the Series 2005 Reserve Fund held by U.S. Bank National Association (on behalf of the City Treasurer), as trustee, pursuant to the Master Resolution, the Eleventh Supplemental Resolution, and the Trustee Services Agreement, dated as of March 1, 2005 (the “**Series 2005 Trustee Services Agreement**”), by and between the City of Long Beach, California, and U.S. Bank National Association, as trustee, to the Refunded Series 2005A Senior Bonds Escrow Fund.

Concurrently with the execution and delivery of this Escrow Agreement, the Issuer shall or shall cause the City Treasurer to deposit with the Escrow Agent and hereby directs the Escrow Agent to, and the Escrow Agent shall, deposit the sum of (a) \$[_____] to be derived from the proceeds of the sale of the Series 2015B Senior Bonds and (b) \$[_____] to be derived from the transfer of moneys on deposit in the Interest Account of the Bond Service Fund allocable to the Series 2005B Senior Bonds held by the City Treasurer pursuant to the Master Resolution and the Eleventh Supplemental Resolution to the Refunded Series 2005B Senior Bonds Escrow Fund.

The Escrow Agent hereby acknowledges receipt of \$[_____], as described in this section, and that such amounts were deposited in the respective Escrow Funds.

Section 3. No Investment of Escrow Funds. The Escrow Agent shall not invest the amounts on deposit in any of the Escrow Funds and shall retain such funds uninvested as a cash balance.

Section 4. Creation of Lien on Escrow Funds.

(a) The deposit of the moneys in the Refunded Series 2005A Senior Bonds Escrow Fund shall constitute an irrevocable deposit in escrow for the benefit of the holders of the Refunded Series 2005A Senior Bonds. The holders of the Refunded Series 2005A Senior Bonds are hereby granted an express lien on the Refunded Series 2005A Senior Bonds Escrow Fund and all moneys held therein for the payment of amounts described in Section 5 hereof.

(b) The deposit of the moneys in the Refunded Series 2005B Senior Bonds Escrow Fund shall constitute an irrevocable deposit in escrow for the benefit of the holders of the Refunded Series 2005B Senior Bonds. The holders of the Refunded Series 2005B Senior Bonds are hereby granted an express lien on the Refunded Series 2005B Senior Bonds Escrow Fund and all moneys held therein for the payment of amounts described in Section 5 hereof.

Section 5. Use of Escrow Funds.

(a) The Escrow Agent shall withdraw the amounts described in Schedule I attached hereto on [May 15, 2015] from the Refunded Series 2005A Senior Bonds Escrow Fund and use such amounts in its capacity as Fiscal Agent for the Refunded Series 2005A Senior Bonds to pay the principal of and interest on the Refunded Series 2005A Senior Bonds as directed pursuant to the Master Resolution and the Eleventh Supplemental Resolution.

The Escrow Agent shall retain all unclaimed moneys in the Refunded Series 2005A Senior Bonds Escrow Fund. At such time as the Issuer delivers to the Escrow Agent written notice that no additional amounts from the Refunded Series 2005A Senior Bonds Escrow Fund will be needed to pay and/or redeem the Refunded Series 2005A Senior Bonds, or on [May 16, 2015], whichever occurs first, the Escrow Agent shall transfer all amounts then remaining in the Refunded Series 2005A Senior Bonds Escrow Fund, if any, to the City Treasurer who shall transfer such amounts to the Interest Account of the Bond Service Fund. At such time as no amounts remain in the Refunded Series 2005A Senior Bonds Escrow Fund, such fund shall be closed.

(b) The Escrow Agent shall withdraw the amounts described in Schedule II attached hereto on [May 15, 2015] from the Refunded Series 2005B Senior Bonds Escrow Fund and use such amounts in its capacity as Fiscal Agent for the Refunded Series 2005B Senior Bonds to pay the principal of and interest on the Refunded Series 2005B Senior Bonds as directed pursuant to the Master Resolution and the Eleventh Supplemental Resolution.

The Escrow Agent shall retain all unclaimed moneys in the Refunded Series 2005B Senior Bonds Escrow Fund. At such time as the Issuer delivers to the Escrow Agent written notice that no additional amounts from the Refunded Series 2005B Senior Bonds Escrow Fund will be needed to redeem the Refunded Series 2005B Senior Bonds, or on [May 16, 2015], whichever occurs first, the Escrow Agent shall transfer all amounts then remaining in the Refunded Series 2005B Senior Bonds Escrow Fund, if any, to the City Treasurer who shall transfer such amounts to the Interest Account of the Bond Service Fund. At such time as no amounts remain in the Refunded Series 2005B Senior Bonds Escrow Fund, such fund shall be closed.

Section 6. Liability of Fiscal Agent and Escrow Agent.

(a) The Fiscal Agent and the Escrow Agent shall have no lien whatsoever on the Escrow Funds or moneys on deposit in the Escrow Funds for the payment of fees and expenses for services rendered by the Fiscal Agent and the Escrow Agent under this Escrow Agreement or otherwise.

(b) The Fiscal Agent and the Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the Escrow Funds to pay the principal of and accrued interest on the Refunded Bonds.

(c) The Issuer agrees that if for any reason the moneys available to pay the principal of and accrued interest on the Refunded Bonds are insufficient therefor, the Issuer shall continue to be liable for payment therefor in accordance with the terms of the Master Resolution and the Eleventh Supplemental Resolution.

(d) No provision of this Escrow Agreement shall require the Fiscal Agent or the Escrow Agent to expend or risk their own funds.

(e) The Fiscal Agent and the Escrow Agent may consult with bond counsel or with such other counsel of their own choice subject to reasonable approval by the Issuer (which may but need not be counsel to the Issuer) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(f) Whenever in the administration of this Escrow Agreement the Fiscal Agent or the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or not taking any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or misconduct on the part of the Fiscal Agent or the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Issuer, and such certificate shall, in the absence of negligence or misconduct on the part of the Fiscal Agent or the Escrow Agent, as applicable, be full warrant to the Fiscal Agent and the Escrow Agent for any action taken or not taken by it under the provisions of this Escrow Agreement in reliance thereon. The Fiscal Agent and the Escrow Agent hereby represents that, as of the date hereof, they do not need any further certificate or direction from any other party in order to carry out the terms of this Escrow Agreement.

(g) The Fiscal Agent and the Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and shall be protected and indemnified as set forth in Section 9 hereof, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Fiscal Agent or the Escrow Agent, as applicable, 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.

(h) The Fiscal Agent and the Escrow Agent undertake 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 Fiscal Agent or the Escrow Agent.

(i) The Fiscal Agent and the Escrow Agent shall not have any liability hereunder except to the extent of their own negligence or willful misconduct. In no event shall the Fiscal Agent or the Escrow Agent be liable for any special indirect or consequential damages.

(j) The Fiscal Agent and the Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

(k) The liability of the Fiscal Agent and the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys in the Escrow Funds.

Section 7. Termination. This Escrow Agreement shall terminate when all transfers and payments required to be made by the Fiscal Agent and the Escrow Agent under the provisions hereof shall have been made. Any deficiency in the amounts required to be paid hereunder shall be paid by the Issuer. The Issuer hereby directs the Fiscal Agent and the Escrow Agent to, and the Fiscal Agent and the Escrow Agent shall, distribute any moneys remaining in the Escrow Funds at the time of such termination to the City Treasurer for deposit in the Interest Account of the Bond Service Fund.

Section 8. Tax-Exempt Nature of Interest on the Refunded Bonds. The Issuer covenants and agrees for the benefit of the holders of the Refunded Bonds that it will not direct or permit any thing or act to be done in such manner as would cause interest on the Refunded Bonds to be included in the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), nor will it use any of the proceeds received from the sale of the Series 2015 Senior Revenue Refunding Bonds, directly or indirectly, in any manner which would result in the Series 2015 Senior Revenue Refunding Bonds being classified as “arbitrage bonds” within the meaning of the Code.

Section 9. Compensation of Escrow Agent and Indemnity of the Escrow Agent and the Fiscal Agent. For acting under this Escrow Agreement, the Escrow Agent shall be entitled to payment of a fee of \$1,000.00. To the extent permitted by law, the Issuer agrees to indemnify and hold the Fiscal Agent and the Escrow Agent harmless from and against all claims, suits and actions brought against them, or to which they are made a party, and from all costs, expenses (including reasonable attorneys' fees of counsel reasonably acceptable to the Issuer), losses and damages suffered by them as a result thereof, including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the performance by the Fiscal Agent and the Escrow Agent of their duties under this Escrow Agreement; provided, however, that such indemnification shall not extend to claims, suits and actions brought against the Fiscal Agent or the Escrow Agent which result in a judgment being entered, settlement being reached or other disposition made based upon the Fiscal Agent's or the Escrow Agent's, as applicable, negligence or willful misconduct. The indemnification provided for in this Escrow Agreement shall never be payable from or become a lien upon the Escrow Funds, which funds shall be held solely for the purpose and subject to the liens set forth in Sections 4 and 5 hereof. The obligations of the Issuer under this Section 9 shall remain in effect and continue notwithstanding the termination of this Escrow Agreement and the resignation or removal of the Fiscal Agent or the Escrow Agent.

Section 10. Third-Party Beneficiaries.

(a) The owners of the Refunded Series 2005A Senior Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Refunded Series 2005A Senior Bonds Escrow Fund as set forth in Sections 4(a) and 5(a) hereof.

(b) The owners of the Refunded Series 2005B Senior Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Refunded Series 2005B Senior Bonds Escrow Fund as set forth in Sections 4(b) and 5(b) hereof.

Section 11. Successors and Assigns. All of the covenants and agreements in this Escrow Agreement contained by or on behalf of the Issuer, the Escrow Agent or the Fiscal Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 12. Severability. If any one or more of the provisions of this Escrow Agreement should be determined by a court of competent jurisdiction to be contrary to law, such provision shall be deemed and construed to be severable from the remaining provisions herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 13. Governing Law. This Escrow Agreement shall be governed by the applicable laws of the State of California.

Section 14. Headings. Any headings preceding the text of the several Sections hereof, and any table of content appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

Section 15. Amendments. The Issuer, the Fiscal Agent and the Escrow Agent shall not modify this Escrow Agreement without the consent of all of the owners of the Refunded Bonds affected by such modification which have not been paid in full.

Section 16. Counterparts. This Escrow 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.

[End of Escrow Agreement]

POLSINELLI DRAFT DATED MARCH 10, 2015

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

**CITY OF LONG BEACH CALIFORNIA, acting
by and through its BOARD OF HARBOR
COMMISSIONERS**

By: _____

[Steven B. Rubin, Managing Director,
Finance and Administration, Harbor
Department of the City of Long Beach

Approved as to form:

J. CHARLES PARKIN, City Attorney

By: _____

Senior Deputy City Attorney

**U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent**

By: _____

Authorized Representative

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

By: _____

Authorized Representative

EXHIBIT A

REFUNDED BONDS

Refunded Series 2005A Senior Bonds

City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2005A

Maturity Date (May 15)	Principal Redeemed and/or Paid	Interest Rate	Redemption Price	CUSIP Number
2015	\$12,185,000	5.00%	N/A	542424MK9
2016	8,960,000	5.00	100%	542424ML7
2018	25,000	5.00	100%	542424MM5
2019	6,210,000	5.00	100%	542424MN3
2020	6,850,000	5.00	100%	542424MP8
2021	4,835,000	5.00	100%	542424MQ6
2022	14,390,000	5.00	100%	542424MR4
2023	16,815,000	5.00	100%	542424MS2
2024	7,025,000	5.00	100%	542424MT0
2025	3,330,000	5.00	100%	542424MU7

Refunded Series 2005B Senior Bonds

City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2005B

Maturity Date (May 15)	Principal Redeemed and/or Paid	Interest Rate	Redemption Price	CUSIP Number
2017	\$13,430,000	5.00%	100%	542424MV5
2018	11,540,000	5.00	100%	542424MW3

SCHEDULE I
PAYMENT REQUIREMENTS FOR
REFUNDED SERIES 2005A SENIOR BONDS

Payment Date/Redemption Date	Principal	Interest	Total
[_____]	\$_____	\$_____	\$_____

SCHEDULE II
PAYMENT REQUIREMENTS FOR
REFUNDED SERIES 2005B SENIOR BONDS

Payment Date/Redemption Date	Principal	Interest	Total
[_____]	\$_____	\$_____	\$_____