
ESCROW DEPOSIT AND TRUST AGREEMENT

by and among the

COUNTY OF RIVERSIDE

SOUTHWEST COMMUNITIES FINANCING AUTHORITY

and

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

as Escrow Bank

Dated as of _____

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ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT is made and entered into this 1st day of _____, by and among the COUNTY OF RIVERSIDE, a division of the State of California, organized and existing by virtue of Constitution and laws of the State of California (the "County"), the SOUTHWEST COMMUNITIES FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank and as Prior Trustee, as hereinafter defined (the "Escrow Bank");

W I T N E S S E T H:

WHEREAS, the County and the Authority have heretofore entered into a Lease Agreement, dated as of November 1, 2008 (the "Prior Agreement");

WHEREAS, payments by the County of lease payments pursuant to the Prior Agreement (the "Prior Payments") are applied to the payment of the \$15,105,000 original principal amount of Southwest Communities Financing Authority 2008 Lease Revenue Bonds, Series A (County of Riverside Capital Project) (the "Prior Bonds");

WHEREAS, the Prior Agreement provides that in the event that the County deposits, or causes the deposit on its behalf of, moneys and certain Federal Securities (as defined in the Prior Agreement) in an amount, together with investment earnings and certain funds held under the Prior Indenture of Trust (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the Prior Agreement at or before maturity, then the obligations of the County under the Prior Agreement shall cease and terminate with respect to the obligations so discharged, except only the obligation of the County to pay or cause to be paid to the Authority all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Lease Payments (as defined in the Prior Agreement) shall be released from the lien of the Prior Agreement; and

WHEREAS, pursuant to Indenture of Trust dated as of November 1, 2008 (the "Prior Indenture of Trust"), relating to and dated as of the same date as the Prior Agreement, by and between the Authority and the trustee appointed under the Prior Indenture of Trust (the "Prior Trustee"), the Prior Bonds were issued, secured in part by the prior payments; and

WHEREAS, the County has determined that it is in the best interests of the County at this time to refinance the County's obligation to make the lease payments under the Prior Agreement and, as a result thereof, to prepay such lease payments on an advance basis on said May 1, 2018 at a prepayment price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the County proposes to make the deposit of moneys referenced in Section 10.01 of the Prior Indenture of Trust and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the prepayment of lease payments in accordance with the instructions provided by this Escrow Deposit and Trust Agreement and of applying said lease payments to the payment and redemption of the Prior Bonds in accordance with the Prior Indenture of Trust and Prior Agreement, and the Escrow Bank will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the Riverside County Public Financing Authority proposes to issue its \$_____ Riverside County Public Financing Authority 2018 Lease Revenue Refunding Bonds, Series A (the “2018 Bonds”) pursuant to that certain Indenture of Trust, dated as of _____ (the “Indenture”), by and between the Authority and the trustee appointed thereunder (the “Trustee”); and

WHEREAS, the County wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Deposit and Trust 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 Deposit and Trust 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 County and the Authority hereby appoint the Escrow Bank as escrow bank for all purposes of this Escrow Deposit and Trust Agreement and in accordance with the terms and provisions of this Escrow Deposit and Trust Agreement, and the Escrow Bank hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created by the County and the Authority with, and to be held by, the Escrow Bank, as security for the payment of the Prior Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the County and the Authority and for the benefit of the owners of the Prior 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 lease payments in accordance with the provisions of the Prior Indenture of Trust. 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 County of such fact and the County shall immediately cure such deficiency.

Section 3. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the County and Authority 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: \$_____ representing funds on deposit in the Reserve Fund with respect to the Prior Bonds, \$_____ representing funds on deposit in the Bond Fund with respect to the Prior Bonds, and \$_____ to come from the proceeds of the 2018 Bonds. The Prior Trustee is hereby directed to transfer the foregoing amounts from the Prior Indenture of Trust to the Escrow Bank.

The Escrow Bank shall hold the amount of \$_____ in those securities described in Exhibit A in the Escrow Fund and the amount of (\$_____) in cash shall be held in the Escrow Fund uninvested (the “Cash”).

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

Section 4. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The County and the Authority hereby irrevocably direct and instruct the Prior Trustee to prepay the remaining Prior Payments in full on May 1, 2018 at a prepayment price of 100% of the principal amount thereof. For such purpose of call and redemption prior to maturity of the Prior Bonds, the Authority has instructed the Prior Trustee on March 15, 2018, and the Prior Trustee caused to be given notice of redemption of the Prior Bonds, for redemption of the Prior Bonds on May 1, 2018, in accordance with the applicable provisions of the Prior Indenture of Trust.

Section 5. Application of Certain Terms of Prior Indenture of Trust. All of the terms of the Prior Indenture of Trust relating to the making of payments of principal and interest with respect to the Prior Bonds are incorporated in this Escrow Deposit and Trust Agreement as if set forth in full herein. The provisions of the Prior Indenture of Trust relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Deposit and Trust 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 County shall pay the Escrow Bank full compensation for its duties under this Escrow Deposit and Trust 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 County 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 Deposit and Trust Agreement unless the County shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank shall have no power or duty to invest any funds held under this Agreement. The Escrow Bank may rely and shall be protected in acting upon the written instructions purporting to be of the County or the Authority or their agents relating to any matter or action as Escrow Bank under this Escrow Deposit and Trust Agreement if the Escrow Bank believes in good faith such instructions are genuine and provided by a person authorized to provide such instructions.

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

The County 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 Deposit and Trust 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 Deposit and Trust 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 County 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 Deposit and Trust 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 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.

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

Section 8. Amendment. This Escrow Deposit and Trust 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 Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Deposit and Trust 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 County, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (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 Bonds or the Bonds, and that such amendment will not cause interest on the Prior Bonds or the Bonds to become subject to federal income taxation.

Section 9. Termination; Unclaimed Money. This Escrow Deposit and Trust Agreement shall terminate when the Prior Payments have been paid; provided, however, that (i) money held by the Escrow Bank pursuant to this Escrow Deposit and Trust Agreement for the payment and discharge of any of the Prior Payments (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 County free from the trust created by the Prior Indenture of Trust and this Escrow Deposit and Trust 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 Payments shall be transferred to the Bond Fund under the Indenture.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Deposit and Trust 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 Deposit and Trust Agreement.

Section 11. Notice of Escrow Bank, Authority and County. 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 of Trust or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the County or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, overnight mail, facsimile or electronic mail and deposited, postage prepaid, in a post office letter box, unless such notification is by electronic mail or facsimile, addressed to such party as provided in the Prior Agreement (or such other address as may have been filed in writing by the County or the Authority 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 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 of Trust, 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 Deposit and Trust 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.

(Signature page follows)

IN WITNESS WHEREOF, the Authority, the County 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.

COUNTY OF RIVERSIDE

By: _____
County Administrative Officer

ATTEST:

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

By: _____
Authorized Officer

SOUTHWEST COMMUNITIES FINANCING
AUTHORITY

By: _____
Executive Director

ATTEST:

*-Signature Page-
Escrow Deposit and Trust Agreement*

EXHIBIT A

ESCROW COST DETAIL

<u>Type of Security</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>	<u>Total Cost</u>
<u>Purchase Date</u>	<u>Cost of Securities</u>	<u>Cash Deposit</u>	<u>Total Escrow Cost</u>	<u>Yield</u>

**PRIOR BONDS
ESCROW SUFFICIENCY**

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
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