
ESCROW AGREEMENT

by and between

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

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

Dated _____, 2018

relating to:

The Outstanding
Proposition C Sales Tax Revenue Refunding Bonds
Second Senior Bonds
Series 2008-A

ESCROW AGREEMENT

THIS ESCROW AGREEMENT dated _____, 2018 (this "*Escrow Agreement*") is made by and between the **LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY** (the "*Authority*"), duly organized and existing pursuant to Chapter 2, Division 12 of the California Public Utilities Code (commencing with Section 130050.2), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as successor by merger to U.S. Bank Trust National Association, as trustee under the hereinafter defined Agreement and Fourteenth Supplemental Agreement, and as escrow agent (the "*Trustee/Escrow Agent*").

WITNESSETH:

WHEREAS, the Authority has previously issued its \$128,745,000 original principal amount of Bonds designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Second Senior Bonds, Series 2008-A," of which \$69,245,000 principal amount is currently outstanding (the "*Refunded Bonds*") pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "*Agreement*"), by and between the Authority and the Trustee/Escrow Agent, as trustee, and the Fourteenth Supplemental Trust Agreement, dated as of June 1, 2008 (the "*Fourteenth Supplemental Agreement*"), by and between the Authority and the Trustee/Escrow Agent, as trustee;

WHEREAS, the Authority is, simultaneously with the execution of this Escrow Agreement, issuing \$_____ aggregate principal amount of its Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2018-A (the "*Series 2018-A Bonds*") under the terms of the Agreement and a Twenty-Eighth Supplemental Trust Agreement, dated as of April 1, 2018, by and between the Authority and U.S. Bank National Association, as trustee; and

WHEREAS, the Series 2018-A Bond proceeds, together with other available funds, are being used to redeem the Refunded Bonds on July 1, 2018 (the "*Redemption Date*"), as set forth in Exhibit A attached hereto;

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

Section 1. Appointment of Escrow Agent. The Authority hereby appoints the Trustee/Escrow Agent to serve as escrow agent hereunder with such duties and responsibilities as are set forth herein.

Section 2. Creation of Escrow Fund. There is hereby created and established with the Trustee/Escrow Agent a special and irrevocable escrow fund designated "Los Angeles County Metropolitan Transportation Authority, Proposition C Sales Tax Revenue Refunding Bonds, Series 2008-A Escrow Fund" (herein referred to as the "*Escrow Fund*") to be held in the custody of the Trustee/Escrow Agent in escrow under this Escrow Agreement for the benefit of the owners of the Refunded Bonds. Except as otherwise provided in Section 6 hereof, the Authority shall have no interest in the funds or investments held in the Escrow Fund.

Section 3. Deposit to the Escrow Fund.

- (a) Concurrently with the execution and delivery of this Escrow Agreement, the Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, deposit the sum of \$_____ to be derived from the proceeds of the sale of the Series 2018-A Bonds, which the Authority shall transfer or caused to be transferred to the Trustee/Escrow Agent on or before [Closing Date], to the Escrow Fund.
- (b) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on or before [Closing Date], transfer or cause to be transferred to the Escrow Fund \$_____ from the Series 2008-A Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund (as established and maintained pursuant to the Agreement and the Fourteenth Supplemental Agreement).
- (c) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on or before [Closing Date], transfer or cause to be transferred to the Escrow Fund \$_____ from the Series 2008-A Account of the Reserve Fund (as established and maintained pursuant to the Agreement and the Fourteenth Supplemental Agreement).
- (d) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on or before [Closing Date], transfer or cause to be transferred to the Escrow Fund \$_____ from the Series 2008-A Subaccount of the Senior Bond Principal Account of the Senior Debt Service Fund (as established and maintained pursuant to the Agreement and the Fourteenth Supplemental Indenture).
- (e) The Trustee/Escrow Agent hereby acknowledges receipt of \$_____, as described in paragraphs (a), (b), (c), and (d) above, and that such amounts were deposited in the Escrow Fund.
- (f) The Authority hereby directs the Trustee/Escrow Agent to invest in _____ and hold the remainder uninvested in cash.
- (g) The Trustee/Escrow Agent hereby confirms that all necessary and proper fees, compensation and expenses of the Trustee, Registrar and Paying Agent (all as defined in the Agreement) with respect to the Refunded Bonds have been paid or provision has been made for the payment thereof.

Section 4. Investment of Escrow Fund. The Trustee/Escrow Agent shall hold the cash balance in the Escrow Fund and disburse such amounts as provided herein.

Section 5. Creation of Lien on Escrow Fund. The deposit of the moneys in the Escrow Fund shall constitute an irrevocable deposit in escrow for the benefit of the holders of the Refunded Bonds. The holders of the Refunded Bonds are hereby granted an express lien on the

Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 6 below.

Section 6. Use of Escrow Fund. On the Redemption Date, the Trustee/Escrow Agent shall withdraw from the Escrow Fund the amount necessary to pay in full the redemption price of the Refunded Bonds pursuant to the Agreement and the Fourteenth Supplemental Agreement. The Trustee/Escrow Agent shall redeem the Refunded Bonds on the Redemption Date.

The Trustee/Escrow Agent shall retain all unclaimed moneys, together with interest thereon, in the Escrow Fund and shall invest such unclaimed moneys as directed in writing by an Authorized Authority Representative (as defined in the Agreement). At such time as the Authority delivers to the Trustee/Escrow Agent written notice that no additional amounts from the Escrow Fund will be needed to redeem the Refunded Bonds the Trustee/Escrow Agent shall transfer all amounts then remaining in the Escrow Fund to the Senior Bond Interest Account of the Senior Debt Service Fund, established under the Agreement to be used to pay interest on the Series 2018-A Bonds. At such time as no amounts remain in the Escrow Fund, such fund shall be closed.

Section 7. Notice of Redemption. The Trustee/Escrow Agent is hereby directed and instructed to send the notice of redemption set forth in Exhibit B on the [Closing Date] as provided in the Fourteenth Supplemental Trust Agreement, dated as of June 1, 2008.

Section 8. Reserved.

Section 9. Liability of Trustee/Escrow Agent.

- (a) The Trustee/Escrow Agent shall not under any circumstances be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof. The Trustee/Escrow Agent shall have no lien whatsoever on the Escrow Fund or moneys on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Trustee/Escrow Agent under this Escrow Agreement or otherwise.
- (b) The Trustee/Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the Escrow Fund to pay the redemption price of and the accrued and unpaid interest on the Refunded Bonds.
- (c) No provision of this Escrow Agreement shall require the Trustee/Escrow Agent to expend or risk its own funds.
- (d) The Trustee/Escrow Agent may consult with bond counsel to the Authority or with such other counsel of its own choice subject to reasonable approval by the Authority (which may but need not be counsel to the Authority) 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.
- (e) Whenever in the administration of this Escrow Agreement the Trustee/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 Trustee/Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Authority, and such certificate shall, in the absence of negligence or misconduct on the part of the Trustee/Escrow Agent, be full warrant to the Trustee/Escrow Agent for any action taken or not taken by it under the provisions of this Escrow Agreement in reliance thereon. The Trustee/Escrow Agent hereby represents that, as of the date hereof, it does not need any further certificate or direction from any other party in order to carry out the terms of this Escrow Agreement.

- (f) The Trustee/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 13 herein, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Trustee/Escrow Agent 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.
- (g) The Trustee/Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Trustee/Escrow Agent be liable for any special, indirect or consequential damages.
- (h) The Trustee/Escrow Agent shall not be responsible for any of the recitals or representations contained herein.
- (i) The Trustee/Escrow Agent's rights to indemnification hereunder shall survive its resignation or removal and the termination of the Agreement.

Section 10. Successor Trustee/Escrow Agent. Any company into which the Trustee/Escrow Agent may be merged or converted or with which it may be consolidated, or any company resulting from any merger, conversion, consolidation or tax-free reorganization to which the Trustee/Escrow Agent shall be a party or any company succeeding to the corporate trust business of the Trustee/Escrow Agent, shall be the successor Trustee/Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding. The Trustee/Escrow Agent shall give written notice to the Authority upon or prior to the occurrence of such an event.

Section 11. Termination. This Escrow Agreement shall terminate when all transfers and payments required to be made by the Trustee/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 Authority. The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, distribute any moneys remaining in the Escrow Fund at the time of such termination to the Series 2018-A Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund.

Section 12. Tax-Exempt Nature of Interest on the Refunded Bonds. The Authority 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 Code, nor will it use any of the proceeds received from the sale of the Series 2018-A Bonds, directly or indirectly, in any manner which would result in the Series 2018-A Bonds being classified as “arbitrage bonds” within the meaning of the Code.

Section 13. Compensation and Indemnity of Trustee/Escrow Agent. For acting under this Escrow Agreement, the Trustee/Escrow Agent shall be entitled to payment of fees for its services as agreed between the Trustee/Escrow Agent and the Authority, including, without limitation, reasonable compensation for all services rendered in the execution, exercise and performance of any of the duties of the Trustee/Escrow Agent to be exercised or performed pursuant to the provisions of this Escrow Agreement, and all reasonable expenses, disbursements and advances incurred in accordance with any provisions of this Escrow Agreement (including the reasonable compensation and expenses and disbursements of independent counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder and out-of-pocket expenses including, but not limited to, postage, insurance, wires, stationery, costs of printing forms and letters and publication of notices of redemption); however, such amount shall never be payable from or become a lien upon the Escrow Fund, which funds shall be held solely for the purposes and subject to the liens set forth in Sections 5 and 6, respectively, of this Escrow Agreement. To the extent permitted by law, the Authority agrees to indemnify and hold the Trustee/Escrow Agent harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all costs, expenses (including reasonable attorneys’ fees of counsel reasonably acceptable to the Authority), losses and damages suffered by it 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 Trustee/Escrow Agent of its duties under this Escrow Agreement; provided, however, that such indemnification shall not extend to claims, suits and actions brought against the Trustee/Escrow Agent which result in a judgment being entered, settlement being reached or other disposition made based upon the Trustee/Escrow Agent’s negligence or willful misconduct. The indemnification provided for in this Escrow Agreement shall never be payable from or become a lien upon the Escrow Fund, which Escrow Fund shall be held solely for the purpose and subject to the liens set forth in Sections 5 and 6, respectively, of this Escrow Agreement. The obligations of the Authority under this Section 13 shall remain in effect and continue notwithstanding the termination of this Escrow Agreement and the resignation or the removal of the Trustee/Escrow Agent.

Section 14. Third-Party Beneficiaries and Amendments. The owners of the Refunded Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Escrow Fund as set forth in Sections 5 and 6 hereof.

Section 15. Replacement and Resignation of Trustee/Escrow Agent. The Authority may remove the Trustee/Escrow Agent by notice in writing delivered to the Trustee/Escrow Agent fifteen (15) days prior to the proposed removal date. The Trustee/Escrow Agent may resign by notifying the Authority in writing at least fifteen (15) days prior to the proposed effective date of the resignation. No removal or resignation of the Trustee/Escrow Agent under

this Section shall be effective until a new Trustee/Escrow Agent, approved by the Authority, has taken office and delivered a written acceptance of its appointment to the retiring Trustee/Escrow Agent and to the Authority. Immediately thereafter, the retiring Trustee/Escrow Agent shall transfer all property held by it as Trustee/Escrow Agent to the successor Trustee/Escrow Agent, the removal or resignation of the Trustee/Escrow Agent shall then, but only then, become effective and the successor Trustee/Escrow Agent shall have all the rights, powers and duties of the Trustee/Escrow Agent under this Escrow Agreement. If the Trustee/Escrow Agent is removed or resigns or for any reason is unable or unwilling to perform its duties under this Escrow Agreement, the Authority shall promptly appoint a successor Trustee/Escrow Agent. If a successor Trustee/Escrow Agent has not been appointed and has not accepted such appointment by the end of the 15-day period, the Trustee/Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Trustee/Escrow Agent.

Section 16. 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 17. Successors and Assigns. All of the covenants and agreements in this Escrow Agreement contained by or on behalf of the Authority or the Trustee/Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 18. Governing Law. This Escrow Agreement shall be governed by the applicable laws of the State of California.

Section 19. Headings. Any headings preceding the text of the several Sections hereof, and any table of contents 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 20. Amendments. The Authority and the Trustee/Escrow Agent shall not modify this Escrow Agreement in any manner that is materially adverse to the rights of the owners of the Refunded Bonds without the consent of all of the owners of the Refunded Bonds affected by such modification which have not been paid in full. No amendment to this Escrow Agreement shall be effective without the consent of Assured Guaranty Municipal Corp., insurer of the Refunded Bonds (which consent shall not be unreasonably withheld).

Section 21. 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]

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.

**LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY**

By: _____
Donna R. Mills
Treasurer

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

By: _____
Authorized Officer

EXHIBIT A

REFUNDED BONDS

**Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds
Second Senior Bonds
Series 2008-A**

Maturity Date <u>(July 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>CUSIP</u>
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EXHIBIT B

NOTICE OF REDEMPTION

**Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Bonds
Second Senior Bonds
Series 2008-A**

NOTICE IS HEREBY GIVEN that, pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2010 (the “Trust Agreement”), by and between the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) and U.S. Bank National Association, as trustee (the “Trustee”), and the Fourteenth Supplemental Trust Agreement, dated as of June 1, 2008 (the “Fourteenth Supplemental Agreement” and, together with the Trust Agreement, the “Agreement”), by and between LACMTA and the Trustee, the LACMTA’s Proposition C Sales Tax Revenue Refunding Bonds, Second Senior Bonds, Series 2008-A described below (the “Series 2008-A Bonds”), shall be redeemed on July 1, 2018 (the “Redemption Date”), at the redemption price of 100% of the principal amount thereof (the “Redemption Price”), plus accrued interest thereon. The Series 2008-A Bonds were originally issued on June 24, 2008. The Series 2008-A Bonds selected for full redemption are as follows:

Maturity Date (July 1)	Principal to Be Redeemed	Redemption Price	Redemption Date	CUSIP Number¹
		100%		

¹ CUSIP numbers are provided only for the convenience of the reader. Neither LACMTA nor the Trustee undertakes any responsibility for the accuracy of such CUSIP numbers or for any changes or errors in the list of CUSIP number.

HOLDERS OF THE SERIES 2008-A BONDS ARE FURTHER NOTIFIED THAT THE REDEMPTION OF THE SERIES 2008-A BONDS ON JULY 1, 2018 IS CONDITIONED UPON THE DEPOSIT OF MONEYS WITH THE TRUSTEE (IN ITS CAPACITY AS ESCROW AGENT FOR THE SERIES 2008-A BONDS) OF MONEYS SUFFICIENT TO REDEEM ALL OF THE SERIES 2008-A BONDS CALLED FOR REDEMPTION NOT LATER THAN THE OPENING OF BUSINESS FIVE BUSINESS DAYS (AS DEFINED IN THE FOURTEENTH SUPPLEMENTAL AGREEMENT) PRIOR TO THE SCHEDULED REDEMPTION DATE.

If such funds are not received by the Trustee by the opening of business on the fifth Business Day before the scheduled redemption date, this Notice shall be null and void and of no force and effect. The Series 2008-A Bonds delivered for redemption shall be returned to the Holders thereof, and said Series 2008-A Bonds shall remain outstanding as though this Notice had not been given. Notice of a failure to receive funds, and cancellation of this redemption, shall be given by the Trustee to the Holders in the same manner that this notice was given.

Provided that the necessary funds are received by the Trustee by the opening of business on the fifth Business Day before the scheduled redemption date, the principal amount of the Series 2008-A Bonds will become due and payable on the Redemption Date at the Redemption Price, plus accrued interest to the Redemption Date. From and after the Redemption Date, the Series 2008-A Bonds to be redeemed will cease to bear interest. Provided such funds are received no later than the opening of business five Business Days prior to the scheduled redemption date, for all purposes of the Agreement, the Series 2008-A Bonds called for redemption in accordance with the foregoing will be deemed to be no longer outstanding from and after the Redemption Date and no longer secured by or entitled to any lien, benefit or security under the Agreement except for purposes of payment from certain moneys held by the Trustee under the escrow agreement to be entered into with respect to the refunding of the Series 2008-A Bonds. Payment of the Redemption Price, and the accrued interest thereon, will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

BY MAIL:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107-2292

BY HAND OR OVERNIGHT:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107-2292

For Series 2008-A Bonds surrendered by mail, the use of registered or certified mail is suggested.

Holders presenting their Series 2008-A Bonds in person for same day payment must surrender their Series 2008-A Bond(s) by 1:00 p.m. California Time on the Redemption Date and a check will be available for pick up after 2:00 p.m. California Time. Checks not picked up by 4:30 p.m. California Time will be mailed out to the Holder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Series 2008-A Bonds, they are not required to endorse the Series 2008-A Bonds to collect the Redemption Price.

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), a Trustee may be obligated to withhold 28% of the redemption price from any Bondholder who has failed to furnish that Trustee with a valid taxpayer identification number and a certification that such Holder is not subject to backup withholding under the Act. Holders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Series 2008-A Bonds.

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

Dated: _____, 2018