

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 18, 2017

CAO File No. 0220-05291-0089

Council File No.

Council District: All

To: The City Council
The Mayor

From: Richard H. Llewellyn Jr., Interim City Administrative Officer

Reference:

Subject: **DEFEASANCE OF CERTAIN GENERAL OBLIGATION BONDS RELATING TO PROPOSITIONS 1 (BRANCH LIBRARIES), 2 (POLICE FACILITIES), 4 (FIRE SAFETY IMPROVEMENTS), F (FIRE AND ANIMAL FACILITIES), Q (CITYWIDE SECURITY), CC (ZOO FACILITIES), AND DD (BRANCH LIBRARIES) BOND PROGRAMS**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. AUTHORIZE the defeasance of (and, where applicable, redeem in advance of maturity) a portion of General Obligation Bonds, Series 2005-B, Series 2011-B, and Series 2012-A;
2. APPROVE up to \$69.8 million from General Obligation Bond Construction Funds in connection with Propositions 1 (Branch Libraries), 2 (Police Facilities), 4 (Fire Safety Improvements), F (Fire and Animal Shelters), Q (Citywide Security), CC (Zoo Facilities), and DD (Branch Libraries) to provide funding for the defeasance;
3. INSTRUCT the Controller to appropriate up to \$69.8 million in available cash balance in the various General Obligation Bond Construction Funds to new accounts entitled "2017 Defeasance Escrow Deposit" within the same Funds that will be used to fund the escrow account at the time of defeasance, under the direction of the City Administrative Officer;
4. APPROVE the Escrow and Custodial Agreement (Attachment 1) between the City and U.S. Bank N.A. to serve as escrow agent; and
5. AUTHORIZE the City Administrative Officer to execute any and all documents, including one or more escrow and custodial agreements with U.S. Bank, as escrow agent, substantially in the form attached to this Report (see Attachment 1), and perform any and all acts and things to carry out the defeasance, consistent with the applicable Bond Resolutions.

SUMMARY

Pursuant to the applicable Bond Resolution provisions of the respective Series of Bonds, the City Administrative Officer (CAO) requests authority to defease a portion of the outstanding General Obligation Bonds, Series 2005-B, Series 2011-B, and Series 2012-A (collectively, the Defeased Bonds). To date, all projects required by Propositions 1 (Branch Libraries), 2 (Police Facilities), 4 (Fire Safety Improvements), F (Fire and Animal Shelters), Q (Citywide Security), CC (Zoo Facilities), and DD (Branch Libraries) have been completed. Amounts remaining in the respective General Obligation Bond Construction Funds may now be used to defease (pay-off) the Defeased Bonds. In the event any Defeased Bond is subject to redemption in advance of maturity, it will be redeemed pursuant to the applicable Bond Resolution. In the event any Defeased Bond is not subject to redemption in advance of maturity, it would be paid to maturity. The CAO proposes to apply up to \$69.8 million from various General Obligation Bond Construction Funds to pay the principal of and interest on (or, where applicable the redemption price of) the portion of the Defeased Bonds.

The recommendations are in compliance with the City's Financial Policies.

FISCAL IMPACT STATEMENT

The defeasance contemplated in this report will not have a fiscal impact to the General Fund.

DEBT IMPACT STATEMENT

The defeasance contemplated in this report will not result in a debt impact to the General Fund as general obligation bonds are repaid from *ad valorem* taxes levied on taxable property in the City. The defeasance is currently expected to retire up to approximately \$63.4 million of principal and pay accrued interest of approximately \$6.4 million of the Defeased Bonds.

FINDINGS

Background

Voters approved Propositions 1, 2, and 4 in 1989, which authorized the issuance of \$289.4 million of general obligation bonds, for the construction and improvements of certain City facilities as follows:

- \$53.4 million to build three new libraries, bring unsafe libraries up to earthquake safe standards, and replace, expand, and modernize existing libraries;
- \$176 million to build two new police stations, two new training facilities and replace, expand, and modernize 18 existing police stations and the communication facility; and
- \$60 million to install fire sprinklers and fire alarm systems, remove asbestos, and increase handicap access to six City-owned buildings.

Voters approved Proposition CC in 1998 which authorized the issuance of \$47.6 million of general obligation bonds for the improvement, repair, renovation, construction and expansion of the Los Angeles Zoo to improve safety for zoo visitors and provide more humane conditions for animals.

Voters approved Proposition DD in 1998 which authorized the issuance of \$178.3 million of general obligation bonds to build four new libraries, replace 20 libraries, and improve eight libraries.

Voters approved Propositions F and Q in 2000 and 2002, respectively, which collectively authorized the issuance of \$1.13 billion of general obligation bonds for the construction of new animal, fire, and police facilities as follows:

- \$154 million to construct eight animal shelters;
- \$378 million to construct 19 fire facilities; and
- \$600 million to construct 13 police facilities and to establish a capital improvement program at other public safety facilities.

To date, all projects required under the voter approved propositions have been completed.

Costs of Defeasance

All costs associated with the defeasance will be paid from the applicable General Obligation Bond Construction Funds. The costs include financial advisory services, legal services, escrow agent fees, and verification agent fees totaling approximately \$100,000.

Attachments
RHL:HTT:091700151

Attachment 1

Escrow and Custodial Agreement

ESCROW AND CUSTODIAL AGREEMENT

by and between the

CITY OF LOS ANGELES

and

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

Dated May [24], 2017

Relating to the Defeasance and Redemption of

**City of Los Angeles, California
General Obligation Bonds, Refunding Series 2005-B
General Obligation Refunding Bonds, Series 2011-B
General Obligation Refunding Bonds, Series 2012-A and Transaction Costs**

ESCROW AND CUSTODIAL AGREEMENT

This ESCROW AND CUSTODIAL AGREEMENT, dated May [24], 2017 (the “Escrow Agreement”), is entered into by and between the CITY OF LOS ANGELES (the “City”), a municipal corporation and a charter city of the State of California (the “State”), and U.S. BANK NATIONAL ASSOCIATION, its successors and assigns, as escrow agent and custodian (the “Escrow Agent” or “Custodian,” as applicable), with reference to the following facts:

WITNESSETH:

WHEREAS, the City has heretofore issued its General Obligation Bonds, Refunding Series 2005-B (the “Series 2005-B Bonds”), General Obligation Refunding Bonds, Series 2011-B (the “Series 2011-B Bonds”) and General Obligation Refunding Bonds, Series 2012-A (the “Series 2012-A Bonds,” and collectively with the Series 2005-B Bonds and the Series 2011-B Bonds, the “Bonds”) pursuant to the Charter of the City and the laws of the State; and

WHEREAS, the City has retained unspent proceeds of the Bonds; and

WHEREAS, the City has determined that it is in the best interests of the City to apply a portion of these unspent proceeds to the defeasance and redemption, in advance of their respective maturities, of (1) the Series 2005-B Bonds maturing September 1, 2017 through September 1, 2020, as set forth on Schedule 1 hereto (the “Defeased Series 2005-B Bonds”), (2) the Series 2011-B Bonds, maturing September 1, 2017 through September 1, 2023, inclusive, as set forth on Schedule 1 hereto (the “Defeased Series 2011-B Bonds”) and (3) the Series 2012-A Bonds, maturing September 1, 2017 through September 1, 2025, inclusive, as set forth on Schedule 1 hereto (the “Defeased Series 2012-A Bonds” and together with the Defeased Series 2005-B Bonds, and the Defeased 2011-B Bonds, the “Defeased Bonds”); and

WHEREAS, the resolutions authorizing the issuance of the Defeased Bonds generally provide that the Defeased Bonds shall, prior to the maturity thereof, be deemed to have been paid when there shall have been deposited with a qualified financial institution lawful money or non-callable direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Internal Revenue Code and Regulations which, in the opinion of nationally-recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Defeased Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, as verified by the report of an Independent Certified Public Accountant, to pay and discharge all of the Defeased Bonds, including any premium and all interest thereon, notwithstanding that any Defeased Bonds shall not have been surrendered for payment; and

WHEREAS, once such deposit shall have been made, the Paying Agent shall notify all holders of the Defeased Bonds that the Defeased Bonds are deemed to have been paid in accordance with their respective Resolutions; and

WHEREAS, the Defeased Series 2005-B Bonds were first subject to redemption on September 1, 2015 (the “Callable Defeased 2005-B Bonds”), and the City has determined that all

of the Defeased Series 2005-B Bonds shall be redeemed on July 1, 2017 (the “Series 2005-B Redemption Date”) at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption; and

WHEREAS, the Defeased Series 2011-B Bonds, maturing on September 1, 2017 through September 1, 2021, inclusive (the “Non-Callable Defeased Series 2011-B Bonds”) are not subject to optional redemption and the principal thereof will be paid on their respective maturity dates; and

WHEREAS, the Defeased Series 2011-B Bonds, maturing on September 1, 2022 and September 1, 2023 (the “Callable Defeased Series 2011-B Bonds”) are first subject to redemption on September 1, 2021, and the City has determined that all of the Callable Defeased Series 2011-B Bonds shall be redeemed on September 1, 2021 (the “Series 2011-B Redemption Date”) at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption; and

WHEREAS, the Defeased Series 2012-A Bonds, maturing on September 1, 2017 through September 1, 2021, inclusive (the “Non-Callable Defeased Series 2012-A Bonds,” and together with the Non-Callable Defeased Series 2011-B Bonds, the “Non-Callable Defeased Bonds”) are not subject to optional redemption and the principal thereof will be paid on their respective maturity dates

WHEREAS, the Defeased Series 2012-A Bonds, maturing on September 1, 2022 through September 1, 2025, inclusive (the “Callable Defeased Series 2012-A Bonds,” and together with the Callable Defeased Series 2005-B Bonds and the Callable Defeased Series 2011-B Bonds, the “Callable Defeased Bonds”) are first subject to redemption on September 1, 2021, and the City has determined that all of the Callable Defeased Series 2012-A Bonds shall be redeemed on September 1, 2021 (the “Series 2012-A Redemption Date” and, together with the Series 2005-B Redemption Date and the Series 2011-B Redemption Date, the “Redemption Dates”) at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption;

WHEREAS, the Escrow Agent shall take any and all action necessary to transfer amounts provided hereunder to the Paying Agent to redeem or pay at maturity the Defeased Bonds on the applicable Redemption Date or maturity date as provided above, in accordance with the provisions of this Escrow Agreement;

WHEREAS, the City has agreed to pay certain transaction costs associated with the defeasance of the Defeased Bonds (the “Transaction Costs”); and

WHEREAS, the Custodian has also agreed to act as custodian with respect to the Transaction Costs and disburse payments of Transaction Costs to various persons, upon instruction and has full power and authority to perform and serve as Custodian for the City in connection with the payment of the Transaction Costs.

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

Section 1. Incorporation of Definitions. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Resolutions. In addition, the following terms shall have the meanings ascribed thereto below.

“2005 Resolution” means the resolution adopted by the City Council on July 13, 2005 authorizing the issuance of the Series 2005-B Bonds.

“2011 Resolution” means the resolution adopted by the City Council on June 6, 2011 authorizing the issuance of the Series 2011-B Bonds.

“2012 Resolution” means the resolution adopted by the City Council on June 21, 2011, authorizing the issuance of the Series 2012-A Bonds.

“Effective Date” means the date the City transfers funds to the Escrow Agent for deposit in the Escrow Account pursuant to Section 4(b) hereof.

“Paying Agent” means the Treasurer of the City, as paying agent, transfer agent and registrar for the Defeased Bonds, and any successor or successors, or any bank, trust company, national banking association or other financial institution designated as paying agent, transfer agent and registrar for the Defeased Bonds, hereafter appointed in the manner provided in the Resolutions.

“Resolutions” means the 2005 Resolution, 2011 Resolution and 2012 Resolution collectively.

Section 2. Receipt of Documents and Confirmation of Book-Entry Status of the Defeased Bonds. The Escrow Agent hereby acknowledges the receipt of a copy of the verification report prepared by [____], independent certified public accountants, in connection with calculations of the sufficiency of the funds to be used to pay upon maturity or redemption the principal of and interest on the Defeased Bonds. The City hereby confirms that all of the Defeased Bonds are in “book-entry” form, and are registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“DTC”), which acts as the securities depository for the Defeased Bonds. So long as the Defeased Bonds are in such book-entry form, the Escrow Agent shall give all notices pursuant to this Escrow Agreement to Cede & Co. as the registered owner of the Defeased Bonds and DTC as the securities depository therefor. The Escrow Agent shall make all payments required hereunder to the Paying Agent for the Defeased Bonds.

Section 3. Payment of Bonds; Notice to Owners. The Escrow Agent is hereby appointed to serve as escrow agent and to make the payments required pursuant to this Escrow Agreement as directed by the City.

(a) The Escrow Agent shall, from funds held under this Escrow Agreement, pay or cause to be paid all interest as it becomes due on the Defeased Bonds (i) to the respective maturity dates, with respect to the Non-Callable Defeased Bonds; and (ii) to the applicable Redemption Date, with respect to the Callable Defeased Bonds.

(b) On the respective maturity dates thereof, the Escrow Agent shall, from funds held under this Escrow Agreement, pay or cause to be paid the principal amount of the Non-Callable Defeased Bonds, plus accrued interest, if any, to such dates.

(c) On the applicable Redemption Date, the Escrow Agent shall, from funds held under this Escrow Agreement, pay or cause to be paid the principal amount of the Callable Defeased Bonds, plus accrued interest, if any, to the Redemption Date.

(d) The City hereby agrees to give notice, as soon as practicable, that the deposit has been made hereunder to provide for the payment of the Defeased Bonds and agrees to give proper and timely notice of the redemption of the Callable Defeased Bonds. To implement such agreement, the City hereby irrevocably directs the Escrow Agent to give the following notices and the Escrow Agent agrees that it will:

(i) send by first-class United States mail, postage prepaid, to all owners of the Defeased Bonds (or with respect to Defeased Bonds held by the Depository, by facsimile, electronic mail or an express delivery service for delivery on the next following Business Day), a notice in substantially the form of **Exhibit A** to this Escrow Agreement as soon as practicable after its receipt of the deposits described in Section 4(b);

(ii) send by first-class United States mail, postage prepaid (or with respect to Defeased Bonds held by the Depository, by facsimile, electronic mail or an express delivery service for delivery on the next following Business Day), at least 30 days and not more than 60 days before each Redemption Date, to all owners of the Callable Defeased Bonds to be called on such Redemption Date, a notice in substantially the form of **Exhibit B** to this Escrow Agreement; and

(iii) file, by electronic means through the Electronic Municipal Market Access System designated by the Municipal Securities Rulemaking Board at www.emma.msrb.org, the notices described in clauses (i) and (ii) of this subsection (d) at the respective times such notices are mailed pursuant to said clauses (i) and (ii).

Section 4. Establishment of the Escrow Account; Disposition of Initial Deposit.

(a) There is hereby created and established with the Escrow Agent a special, irrevocable escrow to be designated “City of Los Angeles, California General Obligation Bonds, Series 2005-B, 2011-B and 2012-A Defeasance Escrow Account” (the “Escrow Account”) to be held by the Escrow Agent separate and apart from any other funds of the Escrow Agent and other funds of the City, if any, held by the Escrow Agent.

(b) On the Effective Date, the City shall irrevocably transfer to the Escrow Agent immediately available funds in the amount of \$[_____]. The Escrow Agent shall deposit such funds in the Escrow Account promptly upon receipt.

(c) The Escrow Agent is hereby directed to use the amounts set forth on **Exhibit C** hereto to purchase on the Effective Date the securities set forth on such exhibit and to hold in cash the amounts set forth on such exhibit to be held in cash.

The securities listed on **Exhibit C** hereto shall constitute the “Initial Government Obligations” to be held by the Escrow Agent hereunder. Investments in mutual funds or unit investment trusts are prohibited for amounts in the Escrow Account.

(d) The Escrow Agent shall use the maturing principal of the Initial Government Obligations, together with the interest to be paid thereon, any securities substituted therefor in accordance with Section 13 hereof and any cash balance ever existing in the Escrow Account, to pay the interest on and the principal of the Defeased Bonds as provided in Section 3 hereof.

(e) The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the City cash transaction statements on a [quarterly] [monthly] basis which shall include detail for all investment transactions made by the Escrow Agent hereunder.

Section 5. Irrevocable Deposit; Express Trust. The escrow created hereby shall be irrevocable, and all moneys, the Initial Government Obligations and any securities substituted therefor in accordance with the terms of this Escrow Agreement held in the Escrow Account and any reinvestment of amounts held hereunder shall be subject to the express trust created by this Escrow Agreement until paid out, used and applied in accordance with this Escrow Agreement.

The deposit made pursuant to Section 4(b) hereof shall constitute an irrevocable deposit and pledge for the benefit of the holders of the Defeased Bonds, and the moneys and Initial Government Obligations and any securities substituted therefor in accordance with the terms of this Escrow Agreement, together with any interest paid thereon and any reinvestment thereof, shall be held in accordance herewith, and shall be applied solely by the Escrow Agent in accordance with the provisions of this Escrow Agreement. None of the Initial Government Obligations, any securities substituted therefor, any reinvestment thereof, any moneys deposited with the Escrow Agent under this Escrow Agreement or any principal or interest payments on any such securities shall, except as provided in Sections 4, 12, and 13 hereof, be withdrawn or used for any purpose other than, and shall be held in accordance herewith for, the payment of the principal, premium, if any, and interest on the Defeased Bonds.

Section 6. Receipt of Funds. The Escrow Agent hereby acknowledges receipt of the moneys described in Section 4(b) hereof, and acknowledges that with such moneys it has purchased and received the securities listed on **Exhibit C** hereto. Except as specifically provided in Sections 4, 12, and 13 of this Escrow Agreement, the Escrow Agent shall have no power or duty to invest or reinvest any moneys held hereunder or to make substitutions for the Initial Government Obligations or to sell, transfer or otherwise dispose of the Initial Government Obligations except to collect the principal and interest thereon.

Section 7. Late Presentment of Bonds. All moneys which have been set aside or deposited with the Escrow Agent or the Paying Agent for the purpose of paying any of the Defeased Bonds upon redemption, and for which the applicable Redemption Date shall have occurred, shall be held in for the respective holders of such Defeased Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the holders of such

Defeased Bonds for a period of one year after the applicable Redemption Date shall be paid to the City, and thereafter the holders of such Bonds shall look only to the City for payment and the City shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and neither the Paying Agent nor the Escrow Agent shall have any responsibility with respect to any of such moneys.

Section 8. Destruction of Paid Bonds. All Defeased Bonds paid upon maturity or redemption shall be cancelled and destroyed.

Section 9. Waiver of Rights. The City hereby irrevocably waives any right it may have to redeem any of the Defeased Bonds prior to the Redemption Date.

Section 10. Escrow Agent Fees; Indemnification. For acting under this Escrow Agreement, the Escrow Agent shall be entitled to payment by the City of, and the City shall pay to the Escrow Agent, fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with its services under this Escrow Agreement; however, such amounts shall never be payable from or become a lien upon the Escrow Account, which account shall be held solely for the purpose set forth in Section 3 of this Escrow Agreement. To the extent permitted by law, the City agrees to indemnify and hold the 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), 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 acceptance or performance by the Escrow Agent of its duties under this Escrow Agreement, including the enforcement by the Escrow Agent of any remedies provided hereunder. Such indemnification shall not extend to claims, suits and actions brought against the Escrow Agent which result in a judgment being entered, settlement being reached or other disposition made based upon the 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 Account, which account shall be held solely for the purpose set forth in Section 3 of this Escrow Agreement. This right of indemnification shall survive the termination of this Escrow Agreement. The Escrow Agent shall assert no lien whatsoever on the Escrow Account, or moneys on deposit in the Escrow Account, for the payment of fees and expenses for services rendered by Escrow Agent under this Escrow Agreement or otherwise.

Section 11. Escrow Agent Privileges; Immunities; Successors.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys in the Escrow Account to pay the principal of and interest on the Defeased Bonds. So long as the Escrow Agent applies the funds held in the Escrow Account as provided herein and complies fully with the terms of this Escrow Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to make such payments caused by such calculations.

(c) In the event of the Escrow Agent's failure to account for any of the funds deposited in the Escrow Account or moneys received by the Escrow Agent, said Escrow Account or moneys shall, nevertheless, be and remain in trust for the holders of the Defeased Bonds or portions thereof, as herein provided.

(d) The Escrow Agent undertakes 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 Escrow Agent.

(e) The Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed herein, and shall be protected and indemnified, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document, report or opinion furnished to the Escrow Agent and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate, document, report or opinion.

(f) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent, be liable for any special, indirect or consequential damages, even if parties know of the possibility of such damages. The Escrow Agent shall have no duty or responsibility under this Escrow Agreement in the case of any default in the performance of covenants or agreements contained in the Resolutions, or in the case of the receipt of any written demand with respect to such default. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(g) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the City) 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.

(h) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein, in the Resolutions, or in the Defeased Bonds.

(i) The Escrow Agent shall not be liable for any action or omission of the City under the Escrow Agreement, the Resolutions or the Defeased Bonds.

(j) Whenever in the administration of the [account] of the Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of the City (signed by any authorized City representative), and such Certificate of the City shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

(k) The Escrow Agent may at any time resign by giving written notice to the City of such resignation prior to the proposed resignation date, whereupon the City shall promptly use its best efforts to appoint a successor escrow agent by the resignation date. Resignation of the

Escrow Agent will be effective only upon the appointment, acceptance and qualification of a successor escrow agent. If the City does not appoint a successor escrow agent within 60 days after notice of resignation by the Escrow Agent, the resigning escrow agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent at the expense of the City, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor escrow agent. After receiving a notice of resignation of an escrow agent, the City may appoint a temporary escrow agent to replace the resigning escrow agent until the City appoints a successor escrow agent. Any such temporary escrow agent so appointed by the City shall immediately and without further act be superseded by the successor escrow agent so appointed. No successor escrow agent shall be appointed unless such successor escrow agent shall be a commercial bank or trust company, a state or national banking association or any other corporation with trust powers which is rated at least "Baa3/P3" by Moody's Investors Service ("Moody's").

If a successor escrow agent is appointed, all agreements and obligations described herein with respect to the Escrow Agent, as the escrow agent, shall apply to such successor escrow agent. Every successor escrow agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and 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, trusts, 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 investments and moneys 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 instruments 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 and the trusts created by this Escrow Agreement, may be merged or converted or with which it or any successor to it may be consolidated (or any corporation or association resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any other bank then serving as escrow agent, or any successor to it, shall be a party), shall be the successor escrow agent under this Escrow Agreement, shall hold the Escrow Account in accordance with the terms hereof and shall be vested with all of the trusts, powers, rights, obligations, duties, immunities and privileges hereunder as was its predecessor 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.

(l) The Escrow Agent will provide the City with annual statements of the Escrow Account maintained hereunder.

Section 12. Termination. This Escrow Agreement shall terminate when the Defeased Bonds have been fully paid and discharged in accordance with the provisions hereof. Any moneys or securities held in the Escrow Account at termination and not required for the payment

of the principal of or interest on any of the Defeased Bonds shall be paid or transferred to the City.

Section 13. Investment of Funds in the Escrow Account.

(a) Except as otherwise provided herein, amounts held in the Escrow Account under this Escrow Agreement may be invested only in Government Obligations, as defined in the [_____].

(b) At the direction of the City, the Escrow Agent shall redeem, transfer or exchange the Initial Government Obligations or any Government Obligations which are then held as an investment of the Escrow Account and reinvest the proceeds thereof, together with the other moneys held in the Escrow Account in Government Obligations, and may release to the City the excess amount then resulting in the Escrow Account provided that the City delivers to the Escrow Agent the following:

(i) an opinion of an independent certified public accountant to the effect that, after such reinvestment the principal amount of Government Obligations, together with the interest thereon and other available moneys held in the Escrow Account, will be sufficient without reinvestment to pay interest on the Defeased Bonds, to pay principal of the Non-Callable Defeased Bonds on their respective maturity dates, and to redeem the Defeased Bonds as provided in Section 3 hereof; and

(ii) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such investment will not cause the Defeased Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder in effect on the date of such investment, or otherwise cause the interest on any of such bonds to be included in the gross income of the recipients thereof for federal income tax purposes, and (b) such reinvestment complies with the Constitution and laws of the State of California and with all relevant documents relating to the issuance of the Defeased Bonds.

(c) If, at any time, the Initial Government Obligations (as defined in Section 4(c) hereof) or other Government Obligations then held as an investment of the Escrow Account mature or payments are made thereon to the Escrow Agent or the Escrow Agent otherwise holds or receives cash in advance of the time same cash is needed to make payment on the Defeased Bonds, such amounts shall be held uninvested unless Escrow Agent has received written instructions from the City directing the investment of such amounts and all of the following requirements have been met:

(i) such moneys shall be invested only in Government Obligations which mature not later than the date on which the funds invested therein will be needed to make payments on the Defeased Bonds;

(ii) such moneys shall be invested only in Government Obligations which mature in an amount, together with interest thereon, not less than the full amount paid by Escrow Agent to acquire such investments;

(iii) prior to any such reinvestment, the Escrow Agent shall receive from the City or the City's financial advisor a certificate to the effect that the investments to be acquired by the Escrow Agent meet the requirements of Subsections 13(c)(i) and 13(c)(ii) above; and

(iv) if the yield on such reinvestment is greater than 0.00% or the reinvestment is being made pursuant to an agreement providing for the purchase of Government Obligations at a future time or times, then prior to any such reinvestment, the City shall deliver to the Escrow Agent an unqualified opinion of nationally recognized municipal bond counsel to the effect that (i) such reinvestment will not cause the Defeased Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the regulations thereunder in effect on the date of such investment, or otherwise cause the interest on any of such bonds to be included in the gross income of the recipients thereof for federal income tax purposes; provided that, if such investment is made pursuant to the terms of an agreement between the Escrow Agent and a supplier of securities which agreement is entered into by the Escrow Agent at the written direction of the City and provides for investments to be provided at a future time or times, then the requirement set forth in this Subsection 13(c)(iv) shall be met if the opinion described herein is provided prior to the time the agreement is entered into and relates to all investments made in accordance with the terms of such agreement.

(d) In addition to the requirements and restrictions set forth above in Section 13(c), if the Defeased Bonds, or any of them, then carry a rating assigned by Moody's and/or Standard & Poor's on the basis of the security provided by the Escrow Account, then the City shall not direct the Escrow Agent to enter into an agreement providing for the purchase of securities at a future time or times as an investment of the Escrow Account unless prior to the time the Escrow Agent enters into such agreement, the City has been notified by the rating agency or agencies then maintaining such rating or ratings that entering into the agreement will not cause the rating or ratings then assigned to the Defeased Bonds to be reduced or withdrawn.

Section 14. Tax Covenant of the City. The City covenants that it will not take or omit to take any action, which action or omission to act would cause the Defeased Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, and the regulations thereunder, or take or omit to take any action which would cause the interest on any such bonds to be included in the gross income of the recipients thereof for federal income tax purposes.

Section 15. Compensation Acknowledgement. The Escrow Agent hereby acknowledges that under the terms of this agreement with the City, all fees that are or will become due to the Escrow Agent for services performed under this Escrow Agreement have been provided for and that provision has been made to the satisfaction of the Escrow Agent between the City and the Escrow Agent for all necessary and proper compensation and expenses of Escrow Agent with respect to such Defeased Bonds, so long as the Defeased Bonds remain in book-entry only form. Amounts to be paid to the Escrow Agent for compensation and expenses of the Escrow Agent shall never be payable from or become a lien upon the Escrow Account, which account shall be held solely for the purpose set forth in Section 3 of this Escrow Agreement.

Section 16. Appointment of Custodian. The City hereby appoints the Custodian to serve as custodian with respect to the payment of Transaction Costs, in accordance with this Agreement. The Custodian hereby accepts its appointment and agrees to serve as custodian for the disbursement of the Transaction Costs.

Section 17. Transaction Costs Fund. The Custodian shall establish and administer, separate and apart from any other funds held by the Custodian, a fund designated the "Transaction Costs Fund." There shall be deposited into the Transaction Cost Fund the amount of \$[] to pay the costs of defeasing the Defeased Bonds (the "Transaction Deposit").

Section 18. Responsibilities of the Custodian.

(a) The Custodian shall pay from the Transaction Deposit held in the Transaction Costs Fund those Transaction Costs for which the Custodian has received a written invoice, approved by the City; provided that (i) each payee is listed as entitled to payment of Transaction Costs on Exhibit D to this Agreement, (ii) the amount paid shall not exceed the amount set forth with respect to such payee in Exhibit D and (iii) amounts on deposit in the Transaction Costs Fund are sufficient to cover such payment.

(b) If the then remaining amounts on deposit in the Transaction Costs Fund is insufficient to pay any Transaction Costs for which an invoice set forth in Exhibit D has been presented to the Custodian, the Custodian shall honor invoices to the extent of amounts remaining on deposit in the Transaction Costs Fund, and the City shall be responsible for payment of any amount of such invoice remaining unpaid. The Custodian shall honor invoices on a first received – first paid basis.

(c) The Custodian shall hold all amounts in Transaction Costs Fund uninvested in cash.

(d) Any funds remaining in the Transaction Costs Fund after payment to the payees listed on Exhibit D will be disbursed for deposit to, pursuant to instructions of the City Administrative Officer.

Section 19. Further Amendments or Supplements. This Escrow Agreement may not be amended or supplemented after the execution and delivery hereof except to the extent required to obtain a "Aaa" rating from Moody's and/or a "AAA" rating from Standard & Poor's with respect to the Defeased Bonds; provided that each of the following shall be a condition to the execution and delivery of any such amendment or supplement (1) if Moody's or Standard & Poor's is then maintaining a rating on any Defeased Bonds on the basis of the security provided by the Escrow Account, then such rating agency must have received a copy of such amendment or supplement and have notified the City that such amendment or supplement will not cause the rating then being maintained to be reduced or withdrawn and (2) there shall be delivered to the City an opinion of nationally recognized municipal bond counsel to the effect that such amendment or supplement (a) will not cause any Defeased Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder in effect on the date of such amendment or supplement or otherwise cause the interest on any such bonds to be included

in the gross income of the recipients thereof for federal income tax purposes and (b) complies with the terms of this Escrow Agreement.

Section 20. Severability. If any one or more of the covenants or agreements to be performed by any of the parties to this Escrow Agreement shall be determined by a court of competent jurisdiction to be unenforceable, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Escrow Agreement. If any provisions of this Escrow Agreement shall be deemed by a court of competent jurisdiction to be unenforceable, the City shall promptly notify Moody's Investor's Services at 7 World Trade Center, New York, NY 10007, Standard & Poor's at 55 Water Street, New York, New York 10041 and Fitch Ratings, Inc. at One State Street Plaza, New York, New York 10004, and any other rating agency at the time maintaining a rating on any Defeased Bonds.

Section 21. Governing Law; Counterparts. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of California. This Escrow Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to be one and the same document.

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

CITY OF LOS ANGELES

By: _____
Assistant City Administrative Officer

Attest:

City Clerk

By: _____
Holly L. Wolcott

Approved as to Form:

MICHAEL N. FEUER, City Attorney

By: _____
Deputy City Attorney

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

By: _____
Authorized Signatory

SCHEDULE 1
DEFEASED BONDS

	Maturity Date	Interest Rate	Principal Amount Defeased	Maturity or Call Date	Call Price
Series 2005-B					
	9/1/17	5.000%	\$885,000	7/01/17	100.000
	9/1/18	5.000%	885,000	7/01/17	100.000
	9/1/19	5.000%	885,000	7/01/17	100.000
	9/1/20	5.000%	525,000	7/01/17	100.000
Series 2011-B					
	9/1/17	5.000%	\$5,370,000	Maturity	Not Applicable
	9/1/18	5.000%	5,360,000	Maturity	Not Applicable
	9/1/19	5.000%	5,340,000	Maturity	Not Applicable
	9/1/20	5.000%	5,325,000	Maturity	Not Applicable
	9/1/21	5.000%	5,305,000	Maturity	Not Applicable
	9/1/22	5.000%	3,280,000	9/01/2021	100.000
	9/1/23	5.000%	1,465,000	9/01/2021	100.000
Series 2012-A					
	9/1/17	5.000%	\$3,535,000	Maturity	Not Applicable
	9/1/18	5.000%	3,535,000	Maturity	Not Applicable
	9/1/19	5.000%	3,535,000	Maturity	Not Applicable
	9/1/20	5.000%	3,525,000	Maturity	Not Applicable
	9/1/21	5.000%	3,510,000	Maturity	Not Applicable
	9/1/22	5.000%	3,500,000	9/01/2021	100.000
	9/1/23	5.000%	3,485,000	9/01/2021	100.000
	9/1/24	5.000%	3,470,000	9/01/2021	100.000
	9/1/25	3.000%	670,000	9/01/2021	100.000

EXHIBIT A

FORM OF NOTICE OF PARTIAL DEFEASANCE

CITY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION BONDS, REFUNDING SERIES 2005-B

MATURITIES: September 1, 2017 through 2020

The City of Los Angeles, California (the "City") hereby gives notice to the owners of the above-described bonds that:

(1) On May [24], 2017, there was deposited with U.S. Bank National Association, as escrow agent, funds that have been irrevocably set aside to pay the principal of and interest on the following principal amounts of the City of Los Angeles, California General Obligation Bonds, Refunding Series 2005-B with the stated maturities (or term bond components thereof) as set forth above and the CUSIP numbers set forth below (the "Defeased Bonds").

Maturity (September 1)	Principal Amount	CUSIP No.	Defeased Portion	Undefeased Portion	Defeased New CUSIP No.	Undefeased New CUSIP No.
2017	\$7,500,000	544351CN7	\$885,000	\$6,615,000		
2018	7,480,000	544351CP2	885,000	6,595,000		
2019	7,450,000	544351CQ0	885,000	6,565,000		
2020	4,410,000	544351CR8	525,000	3,885,000		

(2) As a result of such deposit, the Defeased Bonds are deemed to be no longer outstanding under the terms of the Resolution pursuant to which such Defeased Bonds were issued.

(3) Interest on the Defeased Bonds will be earned through June 30, 2017, and paid on July 1, 2017 (or if such day is not a Business Day then on the next Business Day), from government obligations purchased with the deposited funds, the earnings thereon and the cash held under the escrow agreement.

(4) All of the Defeased Bonds will be redeemed on July 1, 2017 (or if such day is not a Business Day then on the next Business Day) at a redemption price of the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

CITY OF LOS ANGELES

Dated: _____, 20__

Exhibit A-1

FORM OF NOTICE OF PARTIAL DEFEASANCE

CITY OF LOS ANGELES, CALIFORNIA GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011-B

MATURITIES: September 1, 2017 through 2023

The City of Los Angeles, California (the “City”) hereby gives notice to the owners of the above-described bonds that:

(1) On May [24], 2017 there was deposited with U.S. Bank National Association, as escrow agent, funds that have been irrevocably set aside to pay the principal of and interest on the following principal amounts of the City of Los Angeles, California General Obligation Refunding Bonds, Series 2011-B with the stated maturities (or term bond components thereof) as set forth above and the CUSIP numbers set forth below (the “Defeased Bonds”).

Maturity (September 1)	Principal Amount	CUSIP No.	Defeased Portion	Undefeased Portion	Defeased New CUSIP No.	Undefeased New CUSIP No.
2017	\$32,900,000	544351JB6	\$5,370,000	\$27,530,000		
2018	32,805,000	544351JC4	5,360,000	27,445,000		
2019	32,705,000	544351JD2	5,340,000	27,365,000		
2020	32,590,000	544351JE0	5,325,000	27,265,000		
2021	32,480,000	544351JF7	5,305,000	27,175,000		
2022	20,070,000	544351JG5	3,280,000	16,790,000		
2023	8,955,000	544351JH3	1,465,000	7,490,000		

The Defeased Bonds maturing on September 1, 2017 through 2021 are hereinafter referred to as the “Non-Callable Defeased Bonds.” The Defeased Bonds maturing on September 1, 2022 through 2023 are hereinafter referred to as the “Callable Defeased Bonds.”

(2) As a result of such deposit, the Defeased Bonds are deemed to be no longer outstanding under the terms of the Resolution pursuant to which such Defeased Bonds were issued.

(3) With respect to the Non-Callable Defeased Bonds, interest will be earned through, but not including, the maturity date of such Non-Callable Defeased Bonds, and interest will be payable as provided in the Resolution, dated as of June 6, 2011.

(4) With respect to the Callable Defeased Bonds, interest will be earned through August 31, 2021, and paid on September 1, 2021 (or if such day is not a Business

Day then on the next Business Day), from government obligations purchased with the deposited funds, the earnings thereon and the cash held under the escrow agreement.

(5) All of the Callable Defeased Bonds will be redeemed on September 1, 2021 (or if such day is not a Business Day then on the next Business Day) at a redemption price of the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

CITY OF LOS ANGELES

Dated: _____, 20__

FORM OF NOTICE OF PARTIAL DEFEASANCE

CITY OF LOS ANGELES, CALIFORNIA GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012-A

MATURITIES: September 1, 2017 through 2025

The City of Los Angeles, California (the “City”) hereby gives notice to the owners of the above-described bonds that:

(1) On May [24], 2017, there was deposited with U.S. Bank National Association, as escrow agent, funds that have been irrevocably set aside to pay the principal of and interest on the following principal amounts of the City of Los Angeles, California General Obligation Refunding Bonds, Series 2012-A with the stated maturities (or term bond components thereof) as set forth above and the CUSIP numbers set forth below (the “Defeased Bonds”).

Maturity (September 1)	Principal Amount	CUSIP No.	Defeased Portion	Undefeased Portion	Defeased New CUSIP No.	Undefeased New CUSIP No.
2017	\$22,905,000	544351JN0	\$3,535,000	\$19,370,000		
2018	22,900,000	544351JP5	3,535,000	19,365,000		
2019	22,885,000	544351JQ3	3,535,000	19,350,000		
2020	22,815,000	544351JR1	3,525,000	19,290,000		
2021	22,735,000	544351JS9	3,510,000	19,225,000		
2022	22,655,000	544351JT7	3,500,000	19,155,000		
2023	22,570,000	544351JU4	3,485,000	19,085,000		
2024	22,480,000	544351JV2	3,470,000	19,010,000		
2025	4,355,000	544351JW0	670,000	3,685,000		

The Defeased Bonds maturing on September 1, 2017 through 2021 are hereinafter referred to as the “Non-Callable Defeased Bonds.” The Defeased Bonds maturing on September 1, 2022 through 2025 are hereinafter referred to as the “Callable Defeased Bonds.”

(2) As a result of such deposit, the Defeased Bonds are deemed to be no longer outstanding under the terms of the Resolution pursuant to which such Defeased Bonds were issued.

(3) With respect to the Non-Callable Defeased Bonds, interest will be earned through, but not including, the maturity date of such Non-Callable Defeased Bonds, and interest will be payable as provided in the Resolution, dated as of June 21, 2011.

(4) With respect to the Callable Defeased Bonds, interest will be earned through August 31, 2021, and paid on September 1, 2021 (or if such day is not a Business

Day then on the next Business Day), from government obligations purchased with the deposited funds, the earnings thereon and the cash held under the escrow agreement.

(5) All of the Callable Defeased Bonds will be redeemed on September 1, 2021 (or if such day is not a Business Day then on the next Business Day) at a redemption price of the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

CITY OF LOS ANGELES

Dated: _____, 20__

EXHIBIT B

FORM OF NOTICE OF PARTIAL REDEMPTION

CITY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION BONDS, REFUNDING SERIES 2005-B

MATURITIES: September 1, 2017 through 2020

The City of Los Angeles, California (the "City") hereby gives notice to the owners of the following principal amounts of the above-described bonds (the "Defeased Bonds") that such Defeased Bonds will be redeemed on July 1, 2017.

The following information is hereby provided with respect to such redemption:

- (1) The redemption price shall be the principal amount of the Defeased Bonds redeemed, without premium, plus accrued interest to the date fixed for redemption.
- (2) To receive payment of the redemption price, the Defeased Bonds must be presented to

By Mail or by Hand: U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue E
St. Paul, MN 55107

and the redemption price will be paid at such location. Upon receipt, if any, of such bonds the Paying Agent will forward the bonds to the City for cancellation.

- (3) The CUSIP numbers of the bonds to be redeemed are:

<u>Maturity (September 1)</u>	<u>Principal Amount to be Redeemed</u>	<u>Defeased New CUSIP No.</u>
2017	\$885,000	
2018	885,000	
2019	885,000	
2020	525,000	

- (4) On July 1, 2017, the Bonds will cease to bear interest.

Bondholders presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the Agent to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Notice given by mailing this [] day of [____,____],

CITY OF LOS ANGELES

cc: Paying Agent

FORM OF NOTICE OF PARTIAL REDEMPTION

CITY OF LOS ANGELES, CALIFORNIA GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011-B

MATURITIES: September 1, 2022 through 2023

<u>Maturity (September 1)</u>	<u>Principal Amount to be Redeemed</u>	<u>Defeased New CUSIP No.</u>
2022	\$3,280,000	
2023	1,465,000	

The City of Los Angeles, California (the "City") hereby gives notice to the owners of the following principal amounts of the above-described bonds (the "Defeased Bonds") that such Defeased Bonds will be redeemed on September 1, 2021.

The following information is hereby provided with respect to such redemption:

- (1) The redemption price shall be the principal amount of the Defeased Bonds redeemed, without premium, plus accrued interest to the date fixed for redemption.
- (2) To receive payment of the redemption price, the Defeased Bonds must be presented to

By Mail or by Hand: U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue E
St. Paul, MN 55107

and the redemption price will be paid at such location. Upon receipt, if any, of such bonds the Paying Agent will forward the bonds to the City for cancellation.

- (3) The CUSIP numbers of the bonds to be redeemed are:
- (4) On September 1, 2021, the Bonds will cease to bear interest.

Bondholders presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the Agent to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Notice given by mailing this [] day of [],

CITY OF LOS ANGELES

cc: Paying Agent

FORM OF NOTICE OF PARTIAL REDEMPTION
CITY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012-A

MATURITIES: September 1, 2022 through 2025

The City of Los Angeles, California (the "City") hereby gives notice to the owners of the following principal amounts of the above-described bonds (the "Defeased Bonds") that such Defeased Bonds will be redeemed on September 1, 2021.

The following information is hereby provided with respect to such redemption:

- (1) The redemption price shall be the principal amount of the Defeased Bonds redeemed, without premium, plus accrued interest to the date fixed for redemption.
- (2) To receive payment of the redemption price, the Defeased Bonds must be presented to

By Mail or by Hand: U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue E
St. Paul, MN 55107

and the redemption price will be paid at such location. Upon receipt, if any, of such bonds the Paying Agent will forward the bonds to the City for cancellation.

- (3) The CUSIP numbers of the bonds to be redeemed are:

<u>Maturity (September 1)</u>	<u>Principal Amount to be Redeemed</u>	<u>Defeased New CUSIP No.</u>
2022	\$3,500,000	
2023	3,485,000	
2024	3,470,000	
2025	670,000	

- (4) On September 1, 2021, the Bonds will cease to bear interest.

Bondholders presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Exhibit B-5

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the Agent to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Notice given by mailing this [____] day of [____,____]

CITY OF LOS ANGELES

cc: Paying Agent

EXHIBIT C

INITIAL GOVERNMENT OBLIGATIONS

Escrow Securities To Be Purchased on _____, 2017

EXHIBIT D

SCHEDULE OF TRANSACTION COSTS