

1997 ESCROW AGREEMENT

**Y/S SCHOOL FACILITIES FINANCING AUTHORITY
1997 CHULA VISTA ELEMENTARY SCHOOL DISTRICT
SPECIAL TAX REVENUE BONDS**

This ESCROW AGREEMENT (the “Agreement”), made and entered into and dated as of April 1, 2016, by and among the Y/S School Facilities Financing Authority (the “Authority”), the Chula Vista Elementary School District (the “District”), and The Bank of New York Mellon Trust Company, N.A., a national banking association having a corporate trust office in Los Angeles, California and being qualified to accept and administer the escrow hereby created (the “Escrow Bank”).

WITNESSETH:

WHEREAS, the Authority issued its 1997 Chula Vista Elementary School District Special Tax Revenue Bonds (the “1997 Bonds”) for the benefit of the District;

WHEREAS, pursuant to a resolution of the Board of Education of the District adopted on October 14, 2015 (the “Resolution”) the District has determined to execute and deliver its 2016 Refunding Certificates of Participation (the “Certificates”) for the purpose of providing moneys which will be sufficient to redeem the outstanding 1997 Bonds set forth on Schedule A attached hereto (the “Refunded Bonds”) on September 1, 2016 (the “Redemption Date”) at a redemption price equal to one quarter of one percent of the principal amount being redeemed for each year or fraction of a year remaining between the date fixed for redemption and the stated maturity date of each Refunded Bond, but such premium shall not exceed 2% of such principal amount, along with all interest accrued thereon to the Redemption Date (the “Redemption Price”); and

WHEREAS, the Resolution provides that a portion of the proceeds of the Certificates shall be set aside in order to provide for the payment of the 1997 Bonds and that such proceeds shall be deposited in a special escrow fund to be created hereunder and maintained by the Escrow Bank (the “Escrow Fund”); and

WHEREAS, the District has taken action to cause to be delivered to the Escrow Bank, for deposit in the Escrow Fund, Certificate proceeds for the purchase of certain securities and investments consisting of direct noncallable obligations of the United States of America as listed on Schedule B attached hereto and made a part hereof (the “Investment Securities”), in an amount which, together with income to accrue on such securities, will be sufficient to pay the interest on the Refunded Bonds on the Redemption Date and to pay the Redemption Price of the Refunded Bonds on the Redemption Date;

NOW, THEREFORE, the District and the Escrow Bank hereby agree as follows:

Section 1. Establishment, Funding and Maintenance of Escrow Fund.

(a) The Escrow Bank agrees to establish and maintain the Escrow Fund until the Redemption Price of the Refunded Bonds has been paid in full and to hold the securities, investments and moneys therein at all times as a special and separate escrow fund (wholly segregated from all other securities, investments or moneys on deposit with the Escrow Bank). The District shall deposit with the Escrow Bank \$_____ of proceeds of the Certificates, along with \$_____ from funds

held under the Indenture (as defined below). All securities, investments and moneys in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 2 hereof, to secure the payment of the Refunded Bonds. The Escrow Bank shall purchase Investment Securities as described in Schedule B at a cost of \$_____ and shall retain \$_____ uninvested in cash.

(b) The Escrow Bank hereby acknowledges receipt of the verification report of Causey Demgen & Moore P.C., certified public accountants, dated _____, 2016 relating to the Investment Securities (the "Verification Report") with respect to the District's defeasance of the Refunded Bonds in the manner and to the extent provided in Section 10.01 of the Indenture of Trust dated as of September 1, 1997 (the "Indenture"), by and among the District, the Authority and the Escrow Bank, pursuant to which the Refunded Bonds were issued.

Section 2. Investment of the Escrow Fund.

(a) The District and the Escrow Bank each shall take all remaining action, if any, necessary to have the Investment Securities issued and registered in the name of the Escrow Bank for the account of the Escrow Fund. Except as otherwise provided in this Section, the Escrow Bank shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested.

(b) Upon the written direction of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall sell, transfer, request the redemption or otherwise dispose of some or all of the Investment Securities in the Escrow Fund and purchase with the proceeds derived from such sale, transfer, redemption or other disposition noncallable and non-prepayable obligations constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America (the "Substitute Investment Securities"). Such sale, transfer, redemption or other disposition of Investment Securities and purchase of Substitute Investment Securities shall be effected by the Escrow Bank upon the written direction of the District but only by a simultaneous transaction and only if (i) a nationally recognized firm of independent certified public accountants shall certify that (a) the Substitute Investment Securities, together with the Investment Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Investment Securities and Substitute Investment Securities held in the Escrow Fund, together with any uninvested moneys therein, to make all payments required by Section 3 hereof which have not previously been made, and (b) the amounts and dates of the anticipated payments by the Escrow Bank of the principal and interest on the Refunded Bonds will not be diminished or postponed thereby, and (ii) the Escrow Bank shall receive an unqualified opinion of nationally recognized municipal bond attorneys to the effect that the proposed sale, transfer, redemption or other disposition and substitution of Investment Securities will not adversely affect the exclusion of interest on the Certificates or the Refunded Bonds from gross income for federal income tax purposes.

(c) Upon the written direction of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank will apply any moneys received from the maturing principal of or interest or other investment income on any Investment Securities and Substitute Investment Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Investment Securities pursuant to Section 2(b) not required for the purposes of said Section, as follows: to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 3 hereof, as certified by a nationally recognized firm of independent certified public accountants, such moneys shall be transferred to the District upon the

written direction of the District as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing hereunder or under the Indenture.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Escrow Bank hereunder.

Section 3. Payment of the Refunded Bonds. The District hereby requests and irrevocably instructs the Escrow Bank, and the Escrow Bank hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on the Investment Securities and Substitute Investment Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and to apply, subject to the provisions of Section 2 hereof, such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Escrow Fund, to the payment of the Refunded Bonds at the places and in the manner stipulated in the Refunded Bonds and in the Indenture. The Bank of New York Mellon Trust Company, N.A., in its capacity as the Trustee under the Indenture (the "Trustee"), shall be notified of the irrevocable election of the District to pay on September 1, 2016 the Redemption Price of the Refunded Bonds called for redemption on such date. The District shall request and irrevocably instruct the Trustee to (i) mail a notice that the deposit of investment securities and moneys has been made with it as Escrow Bank and that the projected withdrawals from the Escrow Fund have been calculated to be adequate to pay the Redemption Price of the Refunded Bonds when due, which notice instructions shall be substantially in the form set forth in Schedule D attached hereto, and (ii) mail a notice of redemption in accordance with Section 4.03 of the Indenture. Upon payment in full of the Refunded Bonds, the Escrow Bank shall transfer any moneys or securities remaining in the Escrow Fund to the District and this Agreement shall terminate. The Escrow Fund cash flow is set forth in Schedule C attached hereto.

Section 4. Possible Deficiencies; Amounts in Excess of Required Cash Balance.

(a) If at any time the Escrow Bank has actual knowledge that the moneys in the Escrow Fund, including the anticipated proceeds of the Investment Securities and any Substitute Investment Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Bank shall notify the District in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and the reason therefor solely to the extent actually known to it; provided, however, the District shall have no liability for any deficiency and shall not be required to provide funds to eliminate any such deficiency.

(b) The Escrow Bank shall in no manner be responsible for any deficiency in the Escrow Fund.

Section 5. Fees and Costs.

(a) The District shall pay to the Escrow Bank from time to time reasonable compensation for all services rendered under this Agreement.

(b) The fees of and the costs incurred by the Escrow Bank shall in no event be deducted or payable from, or constitute a lien against, the Escrow Fund.

Section 6. Merger or Consolidation. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Agreement, shall be the successor to such Escrow Bank without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 7. Indemnity. To the maximum extent permitted by law, the District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the District shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective successors, assigns, agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the District or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

Section 8. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Refunded Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the District and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Refunded Bonds or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full

and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. No provisions of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability by the performance or exercise of its rights or powers. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District.

Section 9. Amendments. This Agreement is made for the benefit of the District and the owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the District; provided, however, that if the District and the Escrow Bank receive an opinion of nationally recognized bond attorneys to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds and the Certificates will not be adversely affected thereby, they may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; and (iii) to include under this Agreement additional funds, securities or properties (but only if the sufficiency of the Escrow Fund for the purpose herein set forth is verified by a nationally recognized firm of independent certified public accountants). The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 9, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 9.

Section 10. Resignation or Removal of Escrow Bank.

(a) The Escrow Bank may resign by giving not less than 30 days' notice in writing to the District, which notice shall be mailed to the owners of the Refunded Bonds remaining unpaid. The Escrow Bank may be removed (1) by (i) filing with the District an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, and (ii) the delivery of a copy of the instruments filed with the District to the Escrow Bank, or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the District or the owners of 5% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) If the position of Escrow Bank becomes vacant due to resignation or removal of the Escrow Bank or any other reason, a successor Escrow Bank may be appointed by the District. Notice of such appointment shall be mailed by first class mail, postage prepaid, to the registered owners of the Refunded Bonds. Within one year after a vacancy, the owners of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the District, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore appointed by the District. If no successor Escrow Bank is appointed by the District or the owners of such Refunded Bonds then remaining unpaid, within 45 days after any such resignation or removal, the Escrow Bank may petition the appropriate court having jurisdiction for the appointment of a successor Escrow Bank. The responsibilities of the Escrow Bank under this Escrow Agreement will not be

discharged until a new Escrow Bank is appointed and until the cash and investments held under this Escrow Agreement are transferred to the new Escrow Bank.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this 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 Agreement.

Section 12. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 14. Definitions. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning assigned to such term in the Indenture.

Section 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the District.

Section 16. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in which the principal office of the Escrow Bank is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement; and no interest shall accrue for the period from and after such nominal date.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Y/S School Facilities Financing Authority, the Chula Vista Elementary School District and U.S. Bank National Association have caused this Agreement to be executed each on its behalf as of the day and year first above written.

Y/S SCHOOL FACILITIES FINANCING
AUTHORITY

By: _____
Authorized Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY,
as Escrow Bank

By: _____
Authorized Officer

CHULA VISTA ELEMENTARY SCHOOL
DISTRICT

By: _____
Superintendent

SCHEDULE A

Refunded Bonds

Payment Date	Rate	Principal
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SCHEDULE B

Investment Securities

United States Treasury Time Deposit Securities, State and Local Government Series

<i>Type</i>	<i>Coupon</i>	<i>Maturity Date</i>	<i>Par Amount</i>
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SCHEDULE C

Escrow Cash Flow

SCHEDULE D

**FORM OF IRREVOCABLE INSTRUCTIONS AND
REQUEST TO TRUSTEE**

April 7, 2016

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

Y/S SCHOOL FACILITIES FINANCING AUTHORITY
1997 CHULA VISTA ELEMENTARY SCHOOL DISTRICT
SPECIAL TAX REVENUE BONDS

Ladies and Gentlemen:

As Trustee under that certain Indenture of Trust (the "Indenture") dated as of September 1, 1997, by and among the Chula Vista Elementary School District (the "District"), the Y/S School Facilities Financing Authority (the "Authority") and the Escrow Bank, you are hereby notified of the irrevocable election of the District pursuant to Section 10.01 of the Indenture to defease the bonds maturing on and after September 1, _____ (collectively, the "Refunded Bonds") and to cause to be paid (i) the interest on the Refunded Bonds through and including September 1, 2016, and (ii) to redeem the Refunded Bonds on September 1, 2016 at a redemption price equal to one quarter of one percent of the principal amount being redeemed for each year or fraction of a year remaining between the date fixed for redemption and the stated maturity date of each Refunded Bond, but such premium shall not exceed 2% of such principal amount (the "Redemption Price").

You are hereby further irrevocably instructed to mail, as soon as practicable, a notice to the registered owners of such Refunded Bonds (in the form attached hereto as Exhibit A) that the deposit of investment securities and moneys has been made with you as such Escrow Bank and that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal and the interest on the outstanding Refunded Bonds through and including September 1, 2016 and to pay the Redemption Price on September 1, 2016.

CHULA VISTA ELEMENTARY SCHOOL
DISTRICT

By: _____
Its: Superintendent

Receipt acknowledged and consented to:

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

By: _____
Its: Authorized Officer

EXHIBIT A

**NOTICE OF DEFEASANCE OF BONDS OF
Y/S SCHOOL FACILITIES FINANCING AUTHORITY
1997 CHULA VISTA ELEMENTARY SCHOOL DISTRICT
SPECIAL TAX REVENUE BONDS**

Notice is hereby given to the owners of the outstanding Y/S School Facilities Financing Authority (the “Authority”) issued its 1997 Chula Vista Elementary School District Special Tax Revenue Bonds as shown in Exhibit A hereto (collectively, the “1997 Bonds”) that:

(i) There has been deposited in an Escrow Fund with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank (the “Escrow Bank”), certain monies and investment securities as permitted by the Indenture of Trust dated as of September 1, 1997 (the “Indenture”), by and among the Chula Vista Elementary School District, the Authority and the Escrow Bank, pursuant to which the 1997 Bonds were issued (the “Indenture”), for the purpose of redeeming the 1997 Bonds on September 1, 2016 (the “Redemption Date”). The Escrow Bank has received a verification report of an independent accounting firm evidencing that the moneys and investment securities deposited with the Escrow Bank will be sufficient to redeem the 1997 Bonds maturing on the Redemption Date at a redemption price equal to one quarter of one percent of the principal amount being redeemed for each year or fraction of a year remaining between the date fixed for redemption and the stated maturity date of each 1997 Bond, along with all accrued interest thereon to the Redemption Date (the “Redemption Price”).

(ii) The Escrow Bank has been irrevocably instructed by the District to redeem the 1997 Bonds maturing on the Redemption Date at the Redemption Price. There is on deposit with the Escrow Bank cash and investment securities in an amount sufficient, upon the maturity thereof, if applicable, pay the Redemption Price on the Redemption Date.

(iii) The 1997 Bonds are deemed to be paid in accordance with Section 10.01 of the Indenture and all obligations of the Authority and the District under the Indenture have ceased and terminated except for the obligation of the Escrow Bank to pay the owners of the 1997 Bonds from amounts on deposit in the Escrow Fund and except as expressly set forth in the Indenture.

(iv) In accordance with Section 6 of the Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) executed in connection with 1997 Bonds, the obligations of the District and Community Facilities Districts Nos. 1 through 5 of the District under the Continuing Disclosure Agreement have now terminated.

Dated: April 7, 2016

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