

ESCROW AGREEMENT (2010 BONDS)

THIS ESCROW AGREEMENT, dated as of November 1, 2021, by and among the City of Fontana (the "City"), the Fontana Public Financing Authority (the "Authority") and U.S. Bank National Association, acting in its capacity as escrow bank (the "Escrow Bank") pursuant to this Escrow Agreement (2010 Bonds) (the "Agreement") and as 2010 Trustee (as defined below);

WITNESSETH:

WHEREAS, the Authority has previously caused to be issued its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the "2010 Bonds"), in the original aggregate principal amount of \$5,420,000, pursuant to an Indenture of Trust, dated as of November 1, 2010 (the "2010 Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "2010 Trustee"), of which \$4,995,000 aggregate principal amount is currently outstanding; and

WHEREAS, the City and has determined that it is in its best interests and desirable that the 2010 Bonds be redeemed and defeased; and

WHEREAS, in order to accomplish such redemption it is necessary and desirable for the City to prepay a portion of its Lease Payment obligation under that certain Lease Agreement, dated as of November 1, 2010 (the "2010 Lease Agreement"), by and between the City and the Authority, and to thereby defease the 2010 Bonds in accordance with the terms of Section 10.01 of the 2010 Indenture and Section 5.10 of the 2010 Lease Agreement; and

WHEREAS, the City and the Fontana Public Facilities Financing Authority (the "Facilities Authority") have agreed to provide funds necessary to secure redemption and defeasance of the 2010 Bonds through the issuance by the Facilities Authority of its \$_____ aggregate principal amount Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A (the "Series 2021A Bonds"), secured in part by lease payments to be made by the City to the Facilities Authority pursuant to the Lease Agreement, dated as of November 1, 2021, by and between the City and the Facilities Authority; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City, the Authority and the Escrow Bank agree as follows:

SECTION 1. Deposit of Moneys.

(a) The City and the Authority hereby deposit with the Escrow Bank \$_____ from the net proceeds of the Series 2021A Bonds and direct the 2010 Trustee to transfer \$_____ to the Escrow Bank from certain funds and accounts established in connection with the 2010 Bonds. Such moneys shall be held in irrevocable escrow by the Escrow Bank separate and apart from other funds of the City, the Authority, the Escrow Bank and the 2010 Trustee in a fund hereby created and established and to be known as the "Escrow Fund," and shall be applied solely as provided in this Agreement. Such moneys are at least equal to an amount sufficient to redeem the 2010 Bonds maturing after September 1, 2021 on _____, 2021 (the "Redemption Date") on the Redemption Date.

(b) [The Escrow Bank hereby acknowledges receipt of the opinion of Stradling Yocca Carlson & Rauth, dated _____, 2021, and relating to this Agreement with respect to the fact that the City's and the Authority's obligations under the 2010 Indenture with respect to the 2010 Bonds are defeased in the manner and to the extent provided in Section 10.01 of the 2010 Indenture and Section 5.10 of the 2010 Lease Agreement.]

SECTION 2. Use of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees:

- (a) to deposit such moneys in the Escrow Fund; and
- (b) to make the payments required under Section 3(a) hereof at the times set forth in Section 3(a) hereof.

SECTION 3. Payment of 2010 Bonds.

(a) Payment. The Escrow Bank shall transfer from the Escrow Fund to the 2010 Trustee amounts sufficient to pay on the Redemption Date the redemption price of the 2010 Bonds maturing on and after the Redemption Date (as described in Schedule A attached hereto). The 2010 Trustee is hereby directed apply such moneys to redeem the 2010 Bonds on the Redemption Date.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two (2) years after the Redemption Date, shall, at the written request of the City, be repaid by the Escrow Bank to the City; provided, however, that the Escrow Bank shall first mail a notice as more fully described in the 2010 Indenture that said moneys remain unclaimed.

(c) Priority of Payments. The holders of the 2010 Bonds shall have a first lien on the moneys in the Escrow Fund which are allowable and sufficient to pay the 2010 Bonds until such moneys are used and applied as provided in this Agreement. Any cash held in the Escrow Fund is irrevocably pledged only to the 2010 Bond holders.

(d) Termination of Obligation. Upon deposit of the moneys set forth in Section 1 hereof with the Escrow Bank pursuant to the provisions of Section 1 hereof, the holders of the 2010 Bonds shall cease to be entitled to any lien, benefit or security under the 2010 Indenture.

SECTION 4. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein.

SECTION 5. Indemnity. The City and the Authority hereby assume liability for, and hereby agree (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 City or the Authority 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 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 City and the Authority 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 City, the Authority 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 6. 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 deposited therein, the sufficiency of such moneys to accomplish the defeasance of the 2010 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 City and the Authority and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the moneys deposited in the Escrow Fund to accomplish the defeasance of the 2010 Bonds or to the validity of this Agreement as to the City 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. In no event shall the Escrow Bank be liable for any special indirect or consequential damages. The Escrow Bank may consult with counsel, who may or may not be counsel to the City, 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. 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 City or the Authority. The Escrow Bank shall incur no liability for losses arising from any investment made pursuant to this Agreement. No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. 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 shall be the successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 7. Irrevocable Instructions to Provide Notice. The forms of the notices required to be mailed pursuant to Sections 4.03 and 10.03 of the Indenture and the Continuing Disclosure Agreement, dated as of November 1, 2010, between the City and the 2010 Trustee (the "Continuing Disclosure Agreement"), are substantially in the forms attached hereto as Exhibits A and B. The City and the Authority hereby irrevocably instruct the Escrow Bank to mail a notice of redemption

and a notice of defeasance of the 2010 Bonds in accordance with Sections 4.03 and 10.03 of the Indenture and Section 5(a) of the Continuing Disclosure Agreement.

SECTION 8. Amendments. This Agreement is made for the benefit of the City, the Authority and the holders from time to time of the 2010 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Bank and the City; provided, however, but only after the receipt by the Escrow Bank of an opinion of nationally recognized bond counsel that the exclusion from gross income of interest with respect to the Series 2021A Bonds and the 2010 Bonds will not be adversely affected for federal income tax purposes, that the City, the Authority and the Escrow Bank may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders 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 holders of the 2010 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Bank; and (iii) to include under this Agreement additional funds, securities or properties. 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, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the 2010 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this section.

SECTION 9. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2010 Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 3(b) of this Agreement.

SECTION 10. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien nor will it assert a lien whatsoever on any moneys in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Bank under this Agreement.

SECTION 11. Resignation or Removal of Trustee as Escrow Bank.

(a) The Escrow Bank may resign by giving notice in writing to the City and the Authority. The Escrow Bank may be removed: (1) by: (i) filing with the City and the Authority an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the 2010 Bonds then remaining unpaid; and (ii) the delivery of a copy of the instruments filed with the City and the Authority 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 City or the Authority or the holders of 5% in aggregate principal amount of the 2010 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 City and the Authority. Within one year after a vacancy, the holders of a majority in principal amount of the 2010 Bonds then remaining unpaid may, by an instrument or instruments filed with the City and the Authority, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore

appointed by the City and the Authority. If no successor Escrow Bank is appointed by the City and the Authority or the holders of such 2010 Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such 2010 Bonds or any retiring Escrow Bank may apply to a court of competent 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 held under this Escrow Agreement is transferred to the new Escrow Bank.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City, the Authority or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This 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.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 15. 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 the city in which is located the principal office of the Escrow Bank 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.

SECTION 16. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the City.

SECTION 17. Standard and Poor's. The City agrees to provide to Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, prior notice of each amendment entered into pursuant to Section 8 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of: (i) each amendment hereto entered into pursuant to Section 8 hereof; and (ii) any action relating to severability or contemplated by Section 12 hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

CITY OF FONTANA

By: _____
City Manager

ATTEST:

By: _____
City Clerk

FONTANA PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

ATTEST:

By: _____
Secretary

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

U.S. BANK NATIONAL ASSOCIATION, as Escrow
Bank and 2010 Trustee

By: _____
Authorized Officer

SCHEDULE A

2010 Bonds

<i>Maturity Date (September 1)</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Redemption Date</i>	<i>Call Price</i>
2030	8.213%	\$1,200,000	[to come]	100%
2042	8.413	3,795,000	[to come]	100

EXHIBIT A

NOTICE OF DEFEASANCE OF

FONTANA PUBLIC FINANCING AUTHORITY
2010 LEASE REVENUE BONDS
(TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Notice is hereby given to the owners of the outstanding bonds (the “2010 Bonds”) captioned above: (i) that there has been deposited with U.S. Bank National Association, as Escrow Bank, moneys as permitted by the Indenture of Trust, dated as of November 1, 2010 (the “2010 Indenture”), by and between the Fontana Public Financing Authority (the “Authority”) and U.S. Bank National Association, as 2010 Trustee, which, together with such other moneys deposited with the Escrow Bank, shall be sufficient and available to pay on _____, 2021 the redemption price equal to 100% aggregate principal amount of the 2010 Bonds maturing on and after _____, 2021; and (ii) that the 2010 Bonds are deemed to be paid and that the 2010 Indenture and the pledge of Lease Payments (as such term is defined in the 2010 Indenture) and other assets made under the 2010 Indenture and all covenants, agreements and other obligations of the Authority under the 2010 Indenture have ceased, terminated, become void and been completely discharged and satisfied in accordance with Section 10.01 of the 2010 Indenture.

The obligations of the City of Fontana under the Continuing Disclosure Agreement dated November 1, 2010, by and between the City of Fontana and the 2010 Trustee have terminated as of the date hereof.

No representation is made as to the correctness of the CUSIP number either as printed on any of the 2010 Bonds or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for redemption of the 2010 Bonds.

Dated this ____ day of _____, 2021.

FONTANA PUBLIC FINANCING AUTHORITY

U.S. BANK NATIONAL ASSOCIATION
as 2010 Trustee

EXHIBIT B

CONDITIONAL NOTICE OF FULL OPTIONAL REDEMPTION

FONTANA PUBLIC FINANCING AUTHORITY
2010 LEASE REVENUE BONDS
(TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “2010 Bonds”) pursuant to the Indenture of Trust, dated as of November 1, 2010, by and between the Fontana Public Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “2010 Trustee”), that 2010 Bonds in the principal amount of \$[4,995,000] have been called for redemption on _____, 2021 (the “Redemption Date”). The 2010 Bonds were originally issued on July 15, 2010 and are described in the following table.

<i>CUSIP</i>	<i>Maturity (June 1)</i>	<i>Rate</i>	<i>Principal Amount</i>	<i>Redemption Price</i>
344610 BX7	2030	8.213%	\$1,200,000	100%
344610 BY5	2042	8.413	3,795,000	100

The 2010 Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount plus accrued interest to such date (the “Redemption Price”); provided, that such redemption is conditioned upon the timely delivery of the Redemption Price by the Authority to the Trustee for deposit in the Redemption Fund. The Redemption Price of the 2010 Bonds will become due and payable on the Redemption Date. Provided that moneys for redemption have been deposited with the Trustee, interest on the 2010 Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2010 Bonds will be surrendered to the 2010 Trustee.

To receive payment on the Redemption Date, owners of the 2010 Bonds should present and to surrender said 2010 Bonds on the Redemption Date at the address of the 2010 Trustee set forth below:

Delivery Instructions

U.S. Bank National Association
Global Corporate Trust
111 Fillmore Avenue E
St. Paul, Minnesota 55107

REQUIREMENT INFORMATION

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 2010 Trustee 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.

If the owner of any 2010 Bond fails to deliver such 2010 Bond to the 2010 Trustee on the Redemption Date, such 2010 Bond shall nevertheless be deemed redeemed on the Redemption Date and the owner of such 2010 Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2010 Trustee for such payment.

Note: The Authority and the 2010 Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any 2010 Bond. They are included solely for the convenience of the holders.

U.S. BANK NATIONAL ASSOCIATION, as 2010
Trustee

_____, 2021