
ESCROW AGREEMENT

between the

COUNTY OF YOLO

and

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

Dated as of June 1, 2022

Relating to the Defeasance and Redemption of
\$3,410,000
County of Yolo
2012 Refunding Certificates of Participation
(Tax-Exempt)

ESCROW AGREEMENT

This ESCROW AGREEMENT (this “Escrow Agreement”), dated as of June 1, 2022, between the County of Yolo (the “County”), a political subdivision of the State of California duly organized and validly existing under and by virtue of the laws of the State of California, and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, and being qualified to accept and administer the trust hereby created (the “Bank”), as escrow agent (the “Escrow Agent”).

WITNESSETH:

WHEREAS, pursuant to the Trust Agreement dated December 1, 2012 (the “Trust Agreement”), between the County, Yolo County Financing Corporation (the “Corporation”), and the Bank, as trustee thereunder (the “Trustee”), the Trustee duly executed and delivered \$645,000 principal amount of the County’s “Certificates of Participation (2012 Solar Academy), Series A (Tax-Exempt)”, \$22,005,000 principal amount of the County’s “Certificates of Participation (2012 Solar Academy), Series B (Qualified Zone Academy Bond – Direct Payment Subsidy Option) (Federally Taxable),” and \$3,410,000 principal amount of the County’s “2012 Refunding Certificates of Participation (Tax-Exempt)” (such Refunding Certificates of Participation referred to herein as the “Certificates”);

WHEREAS, the County has determined that it would be in the best interests of the County to defease and redeem all of the outstanding Certificates;

WHEREAS, funds for the lease payment due on December 1, 2022 and the redemption price of the outstanding Certificates will be provided from legally available sources of funds of the County;

WHEREAS, such funds shall be deposited in the Escrow Fund (as defined in Section 1 herein);

WHEREAS, the County has taken action to cause to be made available for purchase by the Escrow Agent, from amounts on deposit in the Escrow Fund (as defined in Section 1 herein), certain direct noncallable United States Treasury obligations (the “Escrow Securities”), listed on Schedule I attached hereto and made a part hereof, in an amount that will be sufficient, as verified by a report of a nationally recognized accounting firm, to pay the redemption price of the outstanding Certificates, together with interest accrued on such Certificates, to the payment date as set forth herein; and

WHEREAS, the provisions of the Trust Agreement are incorporated herein by reference as if set forth herein in full.

NOW, THEREFORE, the County and the Escrow Agent hereby agree as follows:

Section 1. Establishment and Maintenance of the Escrow Fund. The Escrow Agent agrees to establish and maintain the Escrow Fund (the “Escrow Fund”) until all the outstanding Certificates have been paid and defeased and interest thereon paid as provided herein. The Escrow Agent shall, except as provided in Section 2 hereof, hold the Escrow Securities and the money (whether constituting the initial deposit in the Escrow Fund or constituting receipts on the Escrow Securities) in the Escrow Fund at all times as a separate escrow fund wholly segregated from all other securities, investments or money held by it, until otherwise directed in the future by the County in writing. All securities and money in the Escrow Fund are hereby irrevocably pledged by the County, subject to the provisions of Section 3 hereof, to secure the payment of principal and interest coming due on the Certificates through and including December 1, 2022, and the redemption of the outstanding Certificates on December 1, 2022 (the “Redemption Date”). The Escrow Agent shall, on the date of execution and delivery of this Escrow Agreement, accept from the County \$1,729,621.25 and deposit it into the Escrow Fund. The Escrow Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate payments from the Escrow Fund, as set forth in Section 3 herein.

Section 2. Investment of Money in the Escrow Fund. The County hereby directs the Escrow Agent to purchase the Escrow Securities at a price of \$_____ with amounts in the Escrow Fund and retain the balance of \$_____ in cash in the Escrow Fund.

If any or all of the Escrow Securities consist of United States Treasury obligations, and if the Escrow Agent learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of SLGS that is to be submitted pursuant to this Escrow Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the County with respect to funds which were to be invested in SLGS. Such alternative investment shall be subject to Assured Guaranty Municipal Corp.’s (“AGM”) prior written consent and receipt of a verification report in form and substance acceptable to AGM. The Escrow Agent shall follow such alternative written investment instructions from the County and, upon the maturity of any such alternative investment, the Escrow Agent shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the County. In the absence of investment instructions from the County, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon and shall hold funds in cash, uninvested. The Escrow Agent may conclusively rely upon the County’s selection of an alternative investment as a determination of the alternative investment’s legality, suitability, and sufficiency to pay the Certificates as set forth herein and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 3. Payment from the Escrow Fund. The County hereby irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees to use the interest on and principal of all Escrow Securities held in the Escrow Fund, together with any other money, to pay the principal of and interest on the outstanding Certificates as the same becomes due and payable and the redemption price of the outstanding Certificates on the Redemption Date, as set forth in Schedule II attached hereto. Pursuant to Section 5.1(B) of the Trust Agreement, the County hereby states its intention to discharge all obligations under the Trust Agreement and the Facilities Lease (as defined under the Trust Agreement) with respect to the Certificates.

Section 4. Deficiencies in the Escrow Fund. If at any time it shall appear to the Escrow Agent that the money in the Escrow Fund will not be sufficient to make the payments required by Section 3 hereof, the Escrow Agent shall notify the County in writing, as soon as reasonably practicable of such fact, stating the amount of such deficiency, and the reason therefore (if known to it). The County shall use its best efforts to obtain and deposit with the Escrow Agent, for deposit in the Escrow Fund, such additional money as may be required to provide for the making of all such payments, provided that, such additional money may be deposited solely from lawfully available funds of the County or from a special appropriation made by the County for such purpose, which appropriation shall at all times be subject to the sole discretion of the County. The County shall incur no liability, however, if such additional moneys are unavailable or are not sufficient for such purpose. The Escrow Agent shall in no event or manner be responsible for the failure of the County to make any such deposit.

Section 5. Notices of Redemption and Defeasance. The County hereby irrevocably instructs the Trustee, in accordance with the terms and conditions of the Trust Agreement, to provide a notice of redemption and a notice of defeasance for the Certificates, each such notice to be provided in the time and manner specified in the Trust Agreement, including posting to the Electronic Municipal Market Access (EMMA) website, and substantially in the forms of Exhibit A and Exhibit B, respectively. The sole remedy for the Trustee's failure to post such notices on EMMA shall be an action by the holders of the Certificates in mandamus for specific performance or a similar remedy to compel performance.

Section 6. Compensation and Indemnification of the Escrow Agent. (a) The County shall pay the Escrow Agent the fees for its services hereunder in accordance with its schedule of fees, agreed to between the County and the Escrow Agent, and shall reimburse the Escrow Agent for its out-of-pocket costs such as publication costs, redemption expenses, and other costs and expenses relating hereto and, in addition, all fees, costs and expenses incurred by the Escrow Agent in connection with these services, all as more particularly agreed upon, by the County and the Escrow Agent; provided that these fees and expenses shall in no event be deducted from the Escrow Fund. Under no circumstances shall the Escrow Agent assert liens on the Escrow Fund for any of its fees or expenses.

(b) The County agrees to indemnify the Escrow Agent, its agents, its directors, its officers and employees for, and hold the Escrow Agent, its agents, its directors, its officers and employees harmless from, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind (including, without limitation, reasonable fees and disbursements of counsel or accountants for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent or such other party by the County or any other person or entity at any time by reason of its performance of the Escrow Agent's services, in any transaction arising out of this Escrow Agreement or any of the transactions contemplated herein or otherwise incurred by the Escrow Agent in connection with the enforcement of its rights under this Section 6, unless caused by the negligence or willful misconduct of the Escrow Agent, as determined by a court of competent jurisdiction.

(c) The obligations of the County hereunder to the Escrow Agent shall survive the termination or discharge of this Escrow Agreement or the earlier removal or resignation of the Escrow Agent.

Section 7. Functions of the Escrow Agent.

(a) Moneys held by the Escrow Agent hereunder are to be held and applied for payment of the principal and interest on the outstanding Certificates and the redemption price of the outstanding Certificates on the Redemption Date in accordance with the Trust Agreement. Upon payment and redemption of the outstanding Certificates, as set forth in Schedule II attached hereto, the Escrow Agent shall close the Escrow Fund and transfer any excess monies to the County.

(b) The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

(c) The Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, and shall be protected and indemnified as stated in the Escrow Agreement, in acting, or refraining from acting, upon any written notice, instruction, demand, 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, demand, request, certificate, document, report or opinion.

(d) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct, or the negligence or willful misconduct of its officers, or employees. The Escrow Agent shall have no duty or responsibility under the Escrow Agreement in the case of any default in the performance of covenants or agreements contained in the Trust Agreement, 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 the Escrow Agreement.

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

(f) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein or in the Trust Agreement.

(g) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the moneys to make the payments of interest and redemption price with respect to the Certificates in accordance with Section 3.

(h) The Escrow Agent shall not be liable for any action or omission of the County under the Escrow Agreement or any other agreement.

(i) The Escrow Agent may at any time resign by giving written notice to the County of such resignation, whereupon the County shall promptly appoint a successor Escrow Agent by the resignation date, and, notwithstanding any other provision of this Escrow Agreement, the Escrow Agent's sole obligation will be to hold the Escrow Fund pending appointment of a

successor Escrow Agent. Similarly, the Escrow Agent may be removed at any time by the County giving written notice to the Escrow Agent specifying the date when such removal shall take effect. Resignation or removal of the Escrow Agent will be effective thirty (30) days after notice of the resignation or removal is given as stated above or upon appointment of a successor Escrow Agent, whichever first occurs. If the County does not appoint a successor Escrow Agent by the resignation effective date, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent (or may deposit with the court the escrow securities and money or other property held by it pursuant to the Escrow Agreement), 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 County may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the County appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the County shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(j) The Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, pandemics, quarantine restrictions, acts of civil or military authority, governmental regulations, fire, communication line failures, computer viruses, attacks or intrusions, power failures, earthquakes or other disasters.

(k) The Escrow Agent will provide the County with monthly statements of the account maintained hereunder.

(l) The liability of the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys in the Escrow Fund.

(m) No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder or in the exercise of its rights or powers. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(n) Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 8. Merger or Consolidation of the Escrow Agent. Any company into which the Escrow Agent 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 Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent and vested with all of the title to the Escrow Fund and all of the rights, duties, obligations, powers, discretions, immunities, privileges

and all other matters as was its predecessor, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 9. Insurer as Third-Party Beneficiary. AGM, as insurer of the Certificates, shall be a third-party beneficiary hereof and notwithstanding anything herein to the contrary, this Escrow Agreement shall not be amended without its prior written consent.

Section 10. Amendment of the Escrow Agreement. Subject to Section 9 herein, this Escrow Agreement may not be revoked or amended by the parties hereto unless there shall first have been filed with the County and the Escrow Agent (i) an unqualified opinion of bond counsel that such amendment will not adversely affect the excludability from gross income for federal income tax purposes of interest evidenced by the Certificates, and (ii) unless the County determines that such amendment is not materially adverse to the interests of the registered owners of the Certificates, as evidenced by an opinion of bond counsel delivered to the Escrow Agent, the written consent of the registered owners of all Certificates then outstanding.

Section 11. Governing Law. The Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 12. Notices. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail as follows:

If to the County: County of Yolo
625 Court Street
Woodland, CA 95695
Attention: Chief Financial Officer

If to the Escrow Agent: The Bank of New York Mellon Trust Company, N.A.
333 South Hope St., Suite #2525
Los Angeles, CA 90071
Attn: Corporate Trust

Section 13. Severability. If any section, paragraph, sentence, clause or provision of the Escrow 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 the Escrow Agreement.

Section 14. Execution. The Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the County and the Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized officers as of the day and year first above written.

COUNTY OF YOLO

By: _____
[NAME],
[TITLE]

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

By: _____
Authorized Officer

SCHEDULE I

ESCROW SECURITIES

United States Treasury Notes

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$	%		

SCHEDULE II

PAYMENT SCHEDULE FOR CERTIFICATES

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Total</u>
	\$	\$	\$	\$

EXHIBIT A

FORM OF NOTICE OF REDEMPTION

NOTICE OF REDEMPTION

of the

2012 REFUNDING CERTIFICATES OF PARTICIPATION

Maturing on and after December 1, 2023

**Evidencing and Representing Fractional Undivided Interests of the Owners Thereof
in Base Rental Payments to be Made by
County of Yolo**

NOTICE is hereby given by The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) for the above-referenced certificates (the “Certificates”), that pursuant to the Trust Agreement dated December 1, 2012 (the “Trust Agreement”), by and among the Trustee, the County of Yolo (the “County”), and the Yolo County Financing Corporation, the County has called for redemption on December 1, 2022 (the “Redemption Date”) the outstanding Certificates maturing on and after December 1, 2023 at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption (the “Redemption Price”). The outstanding Certificates are being called for redemption on the Redemption Date subject to the provisions of the succeeding paragraphs of this notice, and pursuant to the provisions of the governing documents of the Certificates.

The Certificates were originally executed and delivered on December 12, 2012. The original maturity dates, original principal amounts, and interest rates of the Certificates to be redeemed with their respective CUSIP** numbers are as follows:

<u>Maturity (December 1)</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP**</u>
2023	\$225,000	3.25%	98601E CS3
2024	235,000	3.30	98601E CT1
2026*	490,000	3.50	98601E CV6
2028*	530,000	3.75	98601E CU8

**Term Certificates*

***The County and the Trustee shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Certificates. The CUSIP number(s) are included solely for the convenience of the holders.*

Interest represented by the Certificates identified above shall cease to accrue from and after the Redemption Date. Further, on the Redemption Date there will become due and payable on each of the Certificates identified above, the Redemption Price represented thereby.

Payment of the Certificates will be made upon presentation and surrender of the Certificates at the location shown below. Registered or certified insured mail is suggested when submitting Certificates for payment.

BNY Mellon Corp Trust
Attn: Transfers/Redemption
2001 Bryan Street 10th Floor
Dallas, TX 75201

Failure to receive this Notice of Redemption or any immaterial defect contained herein shall not affect the sufficiency of the redemption proceedings as provided in the Trust Agreement.

When inquiring about this redemption please have the Certificate number available. Please inform the **bondholder communications** representative of the CUSIP number(s) of the affected Certificates. Our **bondholder communications** service number is **800-254-2826**.

Dated: (date of notice generation)

The Bank of New York Mellon Trust Company,
N.A., as escrow agent

IMPORTANT NOTICE

Federal law requires the 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.

EXHIBIT B

FORM OF NOTICE OF DEFEASANCE

NOTICE OF DEFEASANCE

of the

2012 REFUNDING CERTIFICATES OF PARTICIPATION

**Evidencing and Representing Fractional Undivided Interests of the Owners Thereof
in Base Rental Payments to be Made by
County of Yolo**

NOTICE IS HEREBY GIVEN pursuant to the Trust Agreement dated December 1, 2012 (the “Trust Agreement”), by and among the County of Yolo (the “County”), The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and the Yolo County Financing Corporation, which set forth the terms and conditions of the above-captioned certificates dated December 12, 2012 (the “Prior Certificates”) that the County has deposited in escrow with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”), United States Treasury obligations and money in the necessary amount (as evidenced in a verification report provided to the Escrow Agent) to pay the outstanding principal and interest due on the Prior Certificates to and including December 1, 2022, and to redeem the Prior Certificates maturing on and after December 1, 2023, inclusive, on December 1, 2022.

The owners of the Prior Certificates shall cease to be entitled to the pledge of assets made under the Trust Agreement. All agreements and covenants of the County contained in the Trust Agreement with respect to the Prior Certificates shall be released and shall cease, terminate, become void and shall be discharged and satisfied, except for the obligation to pay the interest on and the redemption price of the Prior Certificates, but only from moneys on deposit with the Escrow Agent.

The Prior Certificates are further identified as follows:

<u>Maturity (December 1)</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP**</u>
2022	\$220,000	3.25%	98601E CR5
2023	225,000	3.25	98601E CS3
2024	235,000	3.30	98601E CT1
2026*	490,000	3.50	98601E CV6
2028*	530,000	3.75	98601E CU8

**Term Certificates*

***The County and the Trustee shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Certificates. The CUSIP number(s) are included solely for the convenience of the holders.*

DRAFT Parker & Covert
May 25, 2022

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE OF DEFEASANCE IS FOR INFORMATION PURPOSES ONLY, AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OF THE DESCRIBED REDEEMED CERTIFICATES.

DATED: [Date of Notice Generation]

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