
ESCROW AGREEMENT

by and between

SAN JACINTO UNIFIED SCHOOL DISTRICT

and

**U.S. BANK NATIONAL ASSOCIATION
AS PRIOR TRUSTEE AND ESCROW BANK**

Dated as of _____ 1, 2020

Relating to

**San Jacinto Unified School District
Certificates of Participation (2010 Refunding)**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated as of _____ 1, 2020, is by and between the SAN JACINTO UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the “District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Prior Trustee (as defined herein) and as escrow bank (the “Escrow Bank”).

W I T N E S S E T H:

WHEREAS, in order to refinance the costs of the acquisition, construction, installation, improvement and equipping of certain schools and other capital facilities (the “Projects”), the District caused to be executed and delivered the San Jacinto Unified School District Certificates of Participation (2010 Refunding) (the “Prior Certificates”), evidencing outstanding principal in the aggregate amount of \$_____;

WHEREAS, the Prior Certificates were executed and delivered pursuant to the Trust Agreement, dated as of February 1, 2010 (the “Prior Trust Agreement”), by and among U.S. Bank National Association, as trustee (the “Prior Trustee”), the San Jacinto Unified School District School Facilities Corporation (the “Corporation”) and the District;

WHEREAS, the Prior Certificates evidence direct, fractional undivided interests of the owners thereof in certain base rental payments (the “Prior Base Rental Payments”) to be made by the District pursuant to the Lease Agreement, dated as of February 1, 2010 (the “Prior Lease Agreement”), by and between the District and the Corporation;

WHEREAS, the Prior Trust Agreement provides that the Prior Certificates maturing on or after September 1, 2021, are subject to optional prepayment prior to their respective stated principal payment dates, on any date on or after September 1, 2020, from and to the extent of prepaid Prior Base Rental Payments paid pursuant to the Prior Lease Agreement;

WHEREAS, in order to achieve certain savings, the District has determined to refinance the Projects by exercising its option to prepay all of the Prior Base Rental Payments payable pursuant to the Prior Lease Agreement by depositing with the Escrow Bank pursuant to this Escrow Agreement moneys and securities in such amounts as are sufficient to (a) pay the principal and interest evidenced by the Prior Certificates coming due on September 1, 2020, and (b) prepay the Prior Certificates maturing on or after September 1, 2021, on September 1, 2020 (the “Prepayment Date”) at a prepayment price (the “Prepayment Price”) equal to 100% of the principal evidenced by the Prior Certificates to be prepaid, plus unpaid accrued interest evidenced thereby to the Prepayment Date, without premium;

WHEREAS, in order to provide a portion of the funds necessary to exercise said option, the District has caused to be executed and delivered the San Jacinto Unified School District Certificates of Participation (2020 Refunding) (the “Certificates”) evidencing principal in the aggregate amount of \$_____, pursuant to the Trust Agreement, dated as of _____ 1, 2020 (the “Trust Agreement”), by and among U.S. Bank National Association, as trustee (the “Trustee”), the Corporation and the District; and

WHEREAS, the Prior Certificates maturing on or after September 1, 2021 are subject to prepayment on the Prepayment Date and the District has determined to provide for the call for prepayment on the Prepayment Date of such Prior Certificates;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt of which is hereby acknowledged, the District and the Escrow Bank agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Prior Trust Agreement.

Section 2. The Escrow Fund. (a) There is hereby established an escrow fund (the “Escrow Fund”) to be held in trust as an irrevocably pledged escrow by the Escrow Bank, which the Escrow Bank shall keep separate and apart from all other funds of the District and the Escrow Bank and to be applied solely as provided in this Escrow Agreement.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to (i) the payment of the principal and interest evidenced by the Prior Certificates coming due on the Prepayment Date, and (ii) the payment of the Prepayment Price on the Prepayment Date, which amounts shall be held in trust by the Escrow Bank for the Owners of the Prior Certificates.

(b) On the date of execution and delivery of the Certificates (the “Delivery Date”), there shall be deposited in the Escrow Fund \$_____ received from the proceeds of the sale of the Certificates.

The Escrow Bank, as the Prior Trustee, is hereby instructed to liquidate the investments held in the funds and accounts established under the Prior Trust Agreement. The Escrow Bank, as Prior Trustee, has informed the District that, as of the date hereof, there is no less than \$_____ on deposit in the Reserve Fund established under the Prior Trust Agreement [and no less than \$_____ on deposit in the _____ [Fund/Account] established under the Prior Trust Agreement]. On the Delivery Date, the Escrow Bank, as the Prior Trustee, shall transfer all of such amount on deposit in the funds and accounts established under the Prior Trust Agreement to the Escrow Fund, for a total of \$_____ transferred to and deposited in the Current Refunding Account.

(c) Upon the deposit of moneys pursuant to Section 2(b), the moneys on deposit in the Escrow Fund will be, as verified by _____, at least equal to an amount sufficient to purchase the aggregate principal amount of Defeasance Securities set forth in Exhibit A hereto (the “Exhibit A Securities”), which principal, together with all interest due or to become due on such Exhibit A Securities, and any uninvested cash held by the Escrow Bank in the Escrow Fund, will be sufficient to make the payments required by Section 4 hereof.

Section 3. Use and Investment of Moneys. (a) The Escrow Bank hereby acknowledges deposit of the moneys described in Section 2(b) and agrees to invest \$_____ of such moneys in the Exhibit A Securities upon receipt of certification by a nationally recognized firm of independent certified public accountants that the Exhibit A Securities 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 the Exhibit A Securities, together with any uninvested moneys then held by the Escrow Bank in the Escrow Fund, to make all payments required by Section 4 hereof. Except as provided in Section 3(b) or Section 3(c), the balance of the moneys in the Escrow Fund, in the amount of \$_____, shall be held uninvested.

(b) Upon the Written Request of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall purchase substitute Defeasance Securities for the Defeasance Securities then held in the Escrow Fund with the proceeds derived from the sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and any uninvested money then held by the Escrow Bank hereunder in accordance with the provisions of this Section. Such sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and substitution of other Defeasance Securities shall be effected by the Escrow Bank upon the Written Request of the District but only by a simultaneous transaction and only upon receipt of (i) certification by a nationally recognized firm of independent certified public accountants addressed to the District, the Trustee and the Insurer that the Defeasance Securities to be substituted, together with the Defeasance 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 Defeasance Securities held in the Escrow Fund, together with any uninvested moneys, to make all payments required by Section 4 hereof, which have not previously been made, and (ii) receipt by the Escrow Bank of an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the sale, transfer, redemption or other disposition and substitution of Defeasance Securities will not adversely affect the exclusion of interest evidenced by any Prior Certificates or by any Certificates from gross income for purposes of federal income taxation.

(c) Upon the written request of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall apply any moneys received from the maturing principal of or interest or other investment income on any Defeasance Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Defeasance Securities pursuant to Section 3(b) not required for the purposes of said Section (i) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 4 hereof, as certified by a nationally recognized firm of independent certified public accountants delivered to the Escrow Bank, such moneys shall be transferred to the Trustee for deposit in the Base Rental Payment Fund established under the Trust Agreement upon the written request of the District as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Prior Certificates or otherwise existing hereunder, and (ii) to the extent such moneys will be required for such purpose at a later date, shall, to the extent practicable, be invested or reinvested in Defeasance Securities maturing at times and in amounts sufficient, as certified by a nationally recognized firm of independent certified public accountants delivered to the Escrow Bank, to make such payment required by Section 4 hereof.

(d) All Defeasance Securities purchased pursuant to this Escrow Agreement shall be deposited in and held for the credit of the Escrow Fund. Except as provided in this Section 3, no moneys or Defeasance Securities deposited with the Escrow Bank pursuant to this Escrow Agreement nor principal of, or interest payments or other investment income on, any such

Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Prior Certificates as provided by Section 4 hereof.

(e) The Owners of the Prior Certificates shall have a first and exclusive lien on the moneys and Defeasance Securities in the Escrow Fund until such moneys and Defeasance Securities are used and applied as provided in this Escrow Agreement.

(f) The Escrow Bank shall not be held liable for investment losses resulting from compliance with the provisions of this Escrow Agreement.

Section 4. Payment of Prior Certificates. From the maturing principal of the Defeasance Securities held in the Escrow Fund and the investment income and other earnings thereon and any uninvested money then held in the Escrow Fund, the Escrow Bank shall apply such amounts as follows:

(a) on the Prepayment Date, the Escrow Bank, as the Prior Trustee, shall pay the principal and interest evidenced by the Prior Certificates coming due on the Prepayment Date in accordance with the terms of the Prior Trust Agreement; and

(b) on the Prepayment Date, the Escrow Bank shall pay the Prepayment Price in accordance with the terms of the Prior Trust Agreement.

After having made the payments required pursuant to subsections (a) and (b) of this Section, the Escrow Bank shall transfer any amounts remaining in the Escrow Fund to the Trustee for deposit in the Base Rental Payment Fund established under the Trust Agreement.

Section 5. Irrevocable Instructions to Mail Notices. (a) The District hereby irrevocably designates the Prior Certificates maturing on or after September 1, 2021 for prepayment on the Prepayment Date as indicated in Section 4 hereof and hereby irrevocably instructs the Escrow Bank, as the Prior Trustee, to give, in accordance with Section 4.03 of the Prior Trust Agreement, mailed notice of prepayment of the Prior Certificates to be prepaid, substantially in the form attached hereto as Exhibit B.

(b) The District also hereby irrevocably instructs the Escrow Bank to give, in accordance with Section 10.01(b) of the Prior Trust Agreement, mailed notice of defeasance, substantially in the form attached hereto as Exhibit C.

Section 6. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein and agrees that the irrevocable instructions to the Escrow Bank herein provided are in a form satisfactory to it.

Section 7. Transfer of Amounts Remaining Under Prior Trust Agreement. The Escrow Bank, as the Prior Trustee, is hereby instructed, after having made the deposit to the Escrow Fund provided for in Section 2 hereof, to transfer any amounts remaining in the funds and accounts established under the Prior Trust Agreement to the Trustee for deposit in the Base Rental Payment Fund established under the Trust Agreement.

Section 8. Escrow Bank's Authority to Make Investments. The Escrow Bank shall have no power or duty to invest any funds held under this Escrow Agreement except as provided in Section 3 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

Section 9. Indemnity. To the 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, expenses 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 Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such 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 Escrow 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 negligence or willful misconduct of the Escrow Bank's respective successors, assigns, agents and employees or the material breach by the Escrow Bank of the terms of this Escrow 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 Escrow Agreement.

Section 10. Responsibilities of 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 Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or any uninvested moneys held hereunder to accomplish the prepayment of the Prior Certificates, or any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow 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 securities to be purchased pursuant hereto and any uninvested moneys to accomplish the prepayment of the Prior Certificates pursuant to the Prior Trust Agreement or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow 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 Escrow 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 in respect of 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 Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the District. Whenever the Escrow Bank shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by a certificate signed by a nationally recognized firm of certified public accountants or such opinion of counsel of recognized standing in the field of law relating to municipal bonds.

Section 11. Amendments. The District and the Escrow Bank may (but only with the consent of the Owners of all of the Prior Certificates and the Insurer) amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement.

Section 12. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the date upon which the Prior Certificates have been paid in accordance with this Escrow Agreement.

Section 13. Compensation. The District shall from time to time pay or cause to be paid to the Escrow Bank the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Bank for all of its reasonable advances in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Escrow Agreement or otherwise.

Section 14. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the District 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 Escrow Agreement.

Section 15. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) The captions or headings in this Escrow Agreement are for convenience only and in no way define or limit the scope or intent of any provision of this Escrow Agreement.

(c) The words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Escrow Agreement as a whole and not to any particular Article, Section or subdivision hereof unless otherwise specified.

Section 16. Counterparts. This Escrow Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 17. Governing Law. This Escrow Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

**U.S. BANK NATIONAL
ASSOCIATION, AS PRIOR TRUSTEE
AND AS ESCROW BANK**

By: _____
Authorized Officer

**SAN JACINTO UNIFIED SCHOOL
DISTRICT**

By: _____

EXHIBIT A
DEFEASANCE SECURITIES

Type	Maturity Date	Par Amount	Interest Rate	Cost
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EXHIBIT B

FORM OF NOTICE OF PREPAYMENT

SAN JACINTO UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2010 REFUNDING)

The San Jacinto Unified School District Certificates of Participation (2010 Refunding) (the “Certificates”) relating to this notice are identified as follows:

Principal Payment Date (September 1)	Certificate Number	Principal Amount	Interest Rate	CUSIP*
2021			5.000%	
2022			4.500	
2023			4.600	
2024			4.750	
2030			5.125	
2040			5.375	

NOTICE IS HEREBY GIVEN to the Owners of the Certificates that, pursuant to the Trust Agreement, dated as of February 1, 2010 (the “Trust Agreement”), by and among U.S. Bank National Association, as trustee (the “Trustee”), the San Jacinto Unified School District School Facilities Corporation and the San Jacinto Unified School District (the “District”), pursuant to which the Certificates were executed and delivered, the Certificates, as identified above, will be prepaid on September 1, 2020 (the “Prepayment Date”), at a prepayment price equal to 100% of the principal evidenced by the Certificates to be prepaid (the “Prepayment Price”), plus unpaid accrued interest evidenced thereby to the Prepayment Date, without premium, from prepaid Base Rental Payments paid by the District pursuant to the Lease Agreement. Capitalized undefined terms used herein have the meanings ascribed thereto in the Trust Agreement.

On the Prepayment Date, the Prepayment Price shall become due and payable upon the Certificates to be prepaid, and from and after the Prepayment Date, interest evidenced by such Certificates shall cease to accrue and be payable. The Certificates must be surrendered to the Trustee for payment of the Prepayment Price at the following address:

U.S. Bank National Association

[Trustee to insert its withholding notice and any other notices/disclaimers]

** The CUSIP numbers are included solely for the convenience of the bondholders. Neither the District nor the Trustee shall be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Prior Certificates or as indicated in this prepayment notice.*

Dated: _____

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

CC: DTC
Assured Guaranty Municipal Corporation
Municipal Securities Rulemaking Board (through its Electronic Municipal Market Access
system)

EXHIBIT C

FORM OF NOTICE OF DEFEASANCE

SAN JACINTO UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2010 REFUNDING)

The San Jacinto Unified School District Certificates of Participation (2010 Refunding) (the “Certificates”) relating to this notice are identified as follows:

Principal Payment Date (September 1)	Certificate Number	Principal Amount	Interest Rate	CUSIP*
2020			4.125%	
2021			5.000	
2022			4.500	
2023			4.600	
2024			4.750	
2030			5.125	
2040			5.375	

NOTICE IS HEREBY GIVEN to the Owners of the Certificates executed and delivered pursuant to the Trust Agreement, dated as of February 1, 2010 (the “Trust Agreement”), by and among U.S. Bank National Association, as trustee (the “Trustee”), the San Jacinto Unified School District School Facilities Corporation and the San Jacinto Unified School District (the “District”), that on _____, 2020, the San Jacinto Unified School District (the “District”) executed and delivered its San Jacinto Unified School District Certificates of Participation (2020 Refunding) (the “Refunding Certificates”). On such date, a portion of the proceeds of the Refunding Certificates, together with other available amounts, were used to deposit money and Defeasance Securities, which do not contain provisions permitting the redemption thereof other than at the option of the holder, with U.S. Bank National Association, as Trustee and as escrow bank (the “Escrow Bank”), pursuant to the Escrow Agreement, dated as of _____ 1, 2020 (the “Escrow Agreement”), by and between the District and the Escrow Bank.

The moneys and Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, on deposit with the Escrow Bank will provide moneys which shall, as verified by a nationally recognized firm of independent certified public accountants, be sufficient to (i) pay the principal and interest evidenced by the Certificates coming due on September 1, 2020, and (ii) prepay the Certificates maturing on or after September 1, 2021, on September 1, 2020, at a prepayment price equal to 100% of the principal evidenced by the Certificates to be prepaid, plus unpaid accrued interest evidenced thereby to the Prepayment Date, without premium. Accordingly, the deposit of moneys or Defeasance Securities required by clause (ii) of Section 10.01(b) of the Trust Agreement has been made with the Escrow Bank, and the Certificates are deemed to have been paid in accordance with Section 10.01 of the Trust Agreement.

Dated: _____

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

CC: Assured Guaranty Municipal Corporation
Municipal Securities Rulemaking Board (through its Electronic Municipal Market Access
system)