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**ESCROW AGREEMENT**

**between**

**DAVIS JOINT UNIFIED SCHOOL DISTRICT**

**and**

**U.S. BANK NATIONAL ASSOCIATION**  
**as Escrow Agent**

**Dated June 1, 2015**

**\$(PAR AMOUNT)**  
**DAVIS JOINT UNIFIED SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
**2015 SPECIAL TAX REFUNDING BONDS**

**Refunding the**  
**Davis Joint Unified School District**  
**Community Facilities District No. 2**  
**2012 Special Tax Refunding Bonds**  
**Maturing August 15, 2016, through August 1, 2029 (Inclusive);**

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## **ESCROW AGREEMENT**

This Escrow Agreement (the "Escrow Agreement"), dated June 1, 2015, is by and between the Davis Joint Unified School District (the "District"), a unified school district duly organized and existing under and by virtue of the laws of the State of California, and U.S. Bank National Association (the "Escrow Agent"), a national banking association duly organized and existing under and by virtue of the laws of the United States of America and having a corporate trust office in San Francisco, California, and being qualified to accept and administer the trust hereby created, as escrow agent.

### **WITNESSETH:**

**WHEREAS**, the District duly issued \$11,000,000 principal amount of its Davis Joint Unified School District, Community Facilities District No. 2, Special Tax Bonds, Series 2004 Bonds (the "Series 2004 Bonds"), under and pursuant to Resolution No. 05-94, adopted by the Board of Education of the District on July 1, 1993 (the "1993 Resolution"), as supplemented by, Resolution No. 27-05, adopted by the Board of Education of the District on October 21, 2004, (together, the "Resolution"), and the District has determined that it would be in the best interests of the District and the residents of the District to refund the principal amount of the Series 2004 Bonds maturing on and after August 15, 2016, through August 15, 2029, totaling \$7,380,000 (the "Refunded Series 2004 Bonds") as provided herein;

**WHEREAS**, in order to implement the foregoing, the District duly issued \$[PAR AMOUNT] principal amount of its Davis Joint Unified School District, Community Facilities District No. 2, 2015 Special Tax Refunding Bonds (the "Refunding Series 2015 Bonds") under and pursuant to Resolution No. 37-15 adopted by the Board of Education of the District on April 23, 2015;

**WHEREAS**, the District has taken action to cause to be delivered to the Escrow Agent the sum of \$\_\_\_\_\_, for deposit in the Escrow Fund hereinafter referred to, [to purchase certain non-callable United States Treasury obligations (the "Escrow Securities") listed on Schedule I attached hereto and made a part hereof in an aggregate principal amount that, together with the money deposited in the Escrow Fund hereinafter referred to at the same time as such deposit and the income to accrue on such securities,] will be sufficient, as certified by AMTEC Corporation of Avon, Connecticut and Ross & Company, PLLC (a Certified Public Accountant) of Louisville, Kentucky, together acting as verification agent, to provide for the redemption of all Refunded Series 2004 Bonds on June 19, 2015; and

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

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

**Section 1. Establishment and Maintenance of 2004 Escrow Fund.** The Escrow Agent agrees to establish and maintain an escrow fund (the "2004 Escrow Fund") until the Refunded Series 2004 Bonds have been paid and redeemed as provided herein and [, except as provided in Section 2 hereof,] to hold [the Escrow Securities and] the money [(whether constituting the initial deposit in the 2004 Escrow Fund or constituting receipts on the Escrow

Securities)] in the 2004 Escrow Fund at all times as a separate trust account wholly segregated from all other securities, investments or money held by it. All securities and money in the 2004 Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 2 hereof, to secure the payment and redemption of the Refunded Series 2004 Bonds as provided herein; provided that any money held in the 2004 Escrow Fund that is not used for the payment and redemption of the Refunded Series 2004 Bonds shall be repaid to the District free from the trust created by the Escrow Agreement. The Escrow Agent shall, on the date of execution and delivery of this Escrow Agreement, accept from the Paying Agent \$\_\_\_\_\_, and shall deposit such amount in the 2004 Escrow Fund.

**Section 2. Investment of Money in the 2004 Escrow Fund.** The Escrow Agent shall use the moneys deposited in the 2004 Escrow Fund to purchase the Escrow Securities specified in Schedule I (except for \$\_\_\_\_\_ which shall initially be held uninvested). The Escrow Securities initially deposited in the Escrow Fund are certain non-callable United States Treasury Obligations, with interest rates specified in the attached Schedule I.]

**Section 3. Payment from the 2004 Escrow Fund.** The Escrow Agent is hereby irrevocably instructed to, and the Escrow Agent hereby agrees to, collect and deposit in the 2004 Escrow Fund [the interest on and principal of all Escrow Securities held in the 2004 Escrow Fund promptly as such interest and principal become due,] and to use such interest and principal, together with any other money and the interest on and principal of any other securities deposited in the 2004 Escrow Fund, to provide for the redemption of the Refunded Series 2004 Bonds on June 19, 2015.

**Section 4. Deficiencies in the 2004 Escrow Fund.** If at any time it shall appear to the Escrow Agent that the money in the 2004 Escrow Fund[, including the anticipated proceeds of the Escrow Securities,] will not be sufficient to make all payments required by Section 3 hereof, the Escrow Agent shall notify the District in writing as soon as reasonably practicable of such fact, stating the amount of such deficiency and the reason therefor, and the District shall use its best efforts to obtain and deposit with the Escrow Agent for deposit in the 2004 Escrow Fund, from any legally available money, such additional money as may be required to provide for the making of all such payments and the Escrow Agent shall in no event or manner be responsible for the failure of the District to make any such deposit.

**Section 5. Compensation and Indemnification of the Escrow Agent.**

(a) **Payment for Services.** The District shall pay the Escrow Agent fees for its services hereunder and shall reimburse the Escrow Agent for its out-of-pocket expenses (including but not limited to the fees and expenses, if any, of its counsel or accountants) incurred by the Escrow Agent in connection with these services, all as set forth in Schedule II attached hereto; provided that these fees and expenses shall in no event be deducted from the Escrow Fund. Under no circumstances shall the Escrow Agent assert a lien on the 2004 Escrow Fund for any of its fees or expenses.

(b) **Indemnification.** To the extent permitted by law, the District agrees to indemnify the Escrow Agent, its agents and its officers or employees for, and hold the Escrow Agent, its agents and its officers or 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) that may be imposed on, incurred by, or asserted against the Escrow Agent or such other party at any time by reason of its performance of Escrow Agent's services, in any transaction arising out of the Escrow Agreement or any of the transactions contemplated herein, unless due to the negligence or willful misconduct of the particular indemnified party.

(c) Survival of District's Obligation. The obligations of the District hereunder to the Escrow Agent shall survive the termination or discharge of this Escrow Agreement or the resignation or removal of the Escrow Agent.

## **Section 6. Functions of the Escrow Agent.**

(a) Payment of Refunded Bonds. Moneys held by the Escrow Agent hereunder are to be held and applied for the payment of the Refunded Series 2004 Bonds, in accordance with the Resolution.

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

(c) Reliance on Documents. 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, 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 the Escrow Agent need not investigate any fact or matter stated in such notice, instruction, request, certificate, document, report, or opinion.

(d) Escrow Agent's Immunities. The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages, even if parties know of the possibility of such damages. The Escrow Agent shall have no duty or responsibility under the Escrow Agreement in the case of any default in the performance of covenants or agreements contained in the Resolution, 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) Reliance on Advice of Counsel. The Escrow Agent may consult with counsel of its own choice (which may be counsel to the District), 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. The Escrow Agent shall be fully protected in relying on any such opinion of counsel and need not independently review or evaluate any such opinion of counsel in any respect.

(f) Not Responsible for District's Representations. The Escrow Agent shall not be responsible for any of the recitals or representations contained herein, in the Resolution, or in the Refunding Series 2015 Bonds.

(g) Escrow Agent May Own Bonds. The Escrow Agent may become the owner of, or acquire any interest in, any of the Refunding Series 2015 Bonds, with the same rights that it would have if it were not the Escrow Agent, and may engage or be interested in any financial or other transaction with the District.

(h) Not Responsible for Sufficiency Calculations. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the moneys deposited to the 2004 Escrow Fund. and moneys to make the payments of principal, interest, and redemption premium, if any, with respect to the Refunded Series 2004 Bonds, in accordance with the terms and conditions herein.

(i) Not Responsible for District Omissions. The Escrow Agent shall not be liable for any action or omission of the District under the Escrow Agreement, the Resolution, or otherwise.

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

(k) Resignation; Appointment of Successor. The Escrow Agent may at any time resign by giving written notice to the District of such resignation, whereupon the District shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective sixty (60) days after notice of the resignation is given as stated above or upon appointment of a successor Escrow Agent, whichever first occurs. If the District 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 in trust hereunder), 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 District may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the District appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the District shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(l) Statements. The Escrow Agent will provide the District within thirty (30) days after the date of the initial issuance and delivery of the Refunding Series 2015 Bonds, and each month thereafter, with statements of the accounts maintained hereunder.

(m) Investment. The Escrow Agent (and its affiliates) may act as principal, agent, sponsor, depository or advisor with respect to the holding and making of any investments provided herein.

**Section 7. 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 trusts, 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 8. Amendment of the Escrow Agreement.** The Escrow Agreement may not be revoked or amended by the parties hereto unless there shall first have been filed with the District and the Escrow Agent (i) an unqualified opinion of a nationally recognized bond counsel that such amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest evidenced by the Refunded Series 2004 Bonds; and (ii) unless such amendment is not materially adverse to the interests of the registered owners of the Refunded Series 2004 Bonds, the written consent of the registered owners of all Refunded Series 2004 Bonds.

**Section 9. 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 District: Davis Joint Unified School District  
526 B Street  
Davis, CA 95616  
Attention: Associate Superintendent, Business Services

If to Escrow Agent: U.S. Bank National Association  
One California Street, 10<sup>th</sup> Floor  
San Francisco, CA 94111  
Attention: Corporate Trust Services

**Section 10. 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 11. 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 District and the Escrow Agent have caused the Escrow Agreement to be executed by their officers duly authorized.

**DAVIS JOINT UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
President of the Board of Education

**ATTEST:**

By: \_\_\_\_\_  
Secretary of the Board of Education

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

By: \_\_\_\_\_  
Authorized Officer

**[SCHEDULE I**  
**ESCROW SECURITIES]**



**SCHEDULE II**

**ESCROW AGENT FEES AND COSTS**