
ESCROW AGREEMENT

by and between the

CAMBRIAN SCHOOL DISTRICT

and

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

Dated as of August 1, 2022

relating to the

**\$11,510,000
Cambrian School District
(Santa Clara County, California)
2013 General Obligation Refunding Bonds**

ESCROW AGREEMENT

This ESCROW AGREEMENT (the “Escrow Agreement”), dated as of August 1, 2022, by and between the CAMBRIAN SCHOOL DISTRICT, a public agency duly organized and existing under and by virtue of the laws of the State of California (the “District”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States and being qualified to accept and administer the trust hereby created (the “Bank”), as escrow agent (the “Escrow Agent”);

WITNESSETH:

WHEREAS, the Board of Trustees (the “Board”) of the District, with the consent of the Board of Supervisors of Santa Clara County, previously authorized and sold the Cambrian School District (Santa Clara County, California) Election of 2002, General Obligation Bonds, Series A pursuant to the Board’s Resolution No. 02-03-21 adopted on April 22, 2003 (the “2003 Series A Bonds”);

WHEREAS, the Board of the District, by its Resolution No. 13-14-01 adopted on August 15, 2013, previously authorized and issued its “Cambrian School District (Santa Clara County, California) 2013 General Obligation Refunding Bonds,” dated September 17, 2013 (the “Prior Bonds”), to refund the outstanding 2003 Series A Bonds, pursuant to the terms and conditions set forth in that certain paying agent agreement by and between the District and U.S. Bank National Association dated September 1, 2013 (the “2013 Paying Agent Agreement”);

WHEREAS, the District has determined that prudent management of the fiscal affairs of the District requires that it redeem on a current basis and defease the outstanding Prior Bonds, maturing on July 1, 2023 through July 1, 2026, inclusive (the “Refunded Prior Bonds”);

WHEREAS, in order to implement the foregoing, the District duly issued \$[PAR AMOUNT] principal amount of its 2022 General Obligation Refunding Bonds (the “Refunding Bonds”) pursuant to that certain paying agent agreement dated as of August 1, 2022 (the “2022 Paying Agent Agreement”) by and between the District and Zions Bancorporation, National Association, as paying agent (the “2022 Paying Agent”);

WHEREAS, a portion of the proceeds from the Refunding Bonds shall be deposited in an escrow fund (the “Escrow Fund”) in an amount that will be sufficient to provide for the payment of the redemption price of the Refunded Prior Bonds on September 16, 2022, together with interest accrued on the Refunded Prior Bonds to that date;

WHEREAS, the provisions of the 2013 Paying Agent Agreement and the 2022 Paying Agent Agreement 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 the Escrow Fund. The Escrow Agent agrees to establish and maintain the Escrow Fund until all the Refunded Prior Bonds have been redeemed and interest thereon paid as provided herein. The Escrow Agent shall, except as provided in Section 2 hereof, hold cash, uninvested in the Escrow Fund at all times as a separate account wholly segregated from all other securities, investments or money held by it. All securities and money in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 3 hereof, to secure the redemption of the Refunded Prior Bonds on September 16, 2022 (the “Redemption Date”) as provided herein. The Escrow Agent shall, on the date of execution and delivery of this Escrow Agreement, accept from the underwriter of the Refunding Bonds the amount of \$_____ and shall deposit such amount into the Escrow Fund.

Section 2. Investment of Money in the Escrow Fund. The District hereby directs the Escrow Agent to retain the amount of \$_____ in the Escrow Fund, and retain such amounts in cash uninvested.

Section 3. Payment from the Escrow Fund. The District hereby irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees to use the cash held in the Escrow Fund, to pay the redemption price of the Refunded Prior Bonds in the amount of \$_____ on the Redemption Date.

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 payment 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 therefore (if known to it). The District 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 such payment, provided that, such additional money may be deposited solely from lawfully available funds of the District or from a special appropriation made by the District for such purpose, which appropriation shall at all times be subject to the sole discretion of the District. The District 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 District to make any such deposit.

Section 5. Notices of Redemption and Defeasance. The District previously irrevocably instructed the Escrow Agent, in accordance with the terms and conditions of the 2013 Paying Agent Agreement, to provide notice of redemption and hereby instructs the Escrow Agent to provide a notice of defeasance for the Refunded Prior Bonds, such notices to be provided in the time and manner specified in the 2013 Paying Agent Agreement, including posting such notices to the Electronic Municipal Market Access (EMMA) System, and substantially in the forms of Exhibit A and Exhibit B, respectively.

Section 6. Compensation and Indemnification of the Escrow Agent. (a) The District shall pay the Escrow Agent a one-time fee for its services hereunder 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 relating to the purchase, substitution or withdrawal of any securities after the date hereof incurred by the

Escrow Agent in connection with these services, all as more particularly agreed upon, by the District 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 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) which 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 Escrow Agent.

(c) The obligations of the District hereunder to the Escrow Agent shall survive the termination or discharge of this Escrow Agreement or the 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 redemption price of the Refunded Prior Bonds from the Escrow Fund on the Redemption Date, and interest accrued thereto, in accordance with the 2013 Paying Agent Agreement.

(b) 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) 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 it need not investigate any fact or matter stated in such notice, instruction, 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 agents, 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 Bond Purchase Agreement between [UNDERWRITER] and the District dated [SALE DATE] (the "Bond Purchase Agreement"), or the 2022 Paying Agent 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 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.

(f) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein or in the Bond Purchase Agreement, the 2013 Paying Agent Agreement, or the 2022 Paying Agent Agreement.

(g) The Escrow Agent may become the owner of, or acquire any interest in, any of the Refunding 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) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrow Securities and the moneys to make the payments of principal, interest, and redemption premium with respect to the Refunded Prior Bonds in accordance with Section 3.

(i) The Escrow Agent shall not be liable for any action or omission of the District under this Escrow Agreement or the Bond Purchase Agreement, the 2013 Paying Agent Agreement, or the 2022 Paying Agent Agreement.

(k) The Escrow Agent will provide the District with monthly statements of the account maintained hereunder. The District acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The monthly statements shall include detail for all investment transactions made by the Escrow Agent hereunder.

(l) The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods, provided that the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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 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 9. 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 bond counsel that such amendment will not adversely affect the excludability from gross income for federal income tax purposes of interest evidenced by the Refunded Prior Bonds, and (ii) unless such amendment is not materially adverse to the interests of the registered owners of the Refunded Prior Bonds, the written consent of the registered owners of the Refunded Prior Bonds.

Section 10. Governing Law. The Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 11. 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 District: Cambrian School District
4115 Jackson Drive
San Jose, CA 95124
Attn: Chief Financial Officer
Phone: (408) 377-2103

If to the Escrow Agent: U.S. Bank Trust Company, National Association
1 California Street, 10th Floor
San Francisco, CA 94111
Attn.: Global Corporate Trust

Section 12. 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 13. 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.

IN WITNESS WHEREOF, the District 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.

CAMBRIAN SCHOOL DISTRICT

By: _____
Kristi Schwiebert, Superintendent

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

By: _____
Serena Gutierrez, Vice President

SCHEDULE I

PAYMENT SCHEDULE FOR REFUNDED PRIOR BONDS

Payment Date	Principal	Interest	Principal Redeemed	Total
9/16/2022				

EXHIBIT A

FORM OF NOTICE OF REDEMPTION

CONDITIONAL NOTICE OF REDEMPTION

OF THE

**CAMBRIAN SCHOOL DISTRICT
(SANTA CLARA COUNTY, CALIFORNIA)
2013 GENERAL OBLIGATION REFUNDING BONDS**

MATURING JULY 1, 2023 THROUGH JULY 1, 2026

NOTICE IS HEREBY GIVEN pursuant to that certain paying agent agreement by and between the Cambrian School District (the “District”) and U.S. Bank National Association dated September 1, 2013 (the “2013 Paying Agent Agreement”), which authorized the issuance of the above-captioned bonds (the “Prior Bonds”), dated as of September 17, 2013 that:

Pursuant to Sections 4.3 and 4.5 of the 2013 Paying Agent Agreement, and subject to the succeeding paragraphs of this Conditional Notice of Redemption (the “Conditional Notice”), the District has conditionally called for redemption, on September 16, 2022 (the “Redemption Date”), the outstanding Prior Bonds maturing July 1, 2023 through July 1, 2026, inclusive (the “Refunded Bonds”), at a redemption price equal to the principal amount thereof, without premium, together with accrued interest to the Redemption Date, and pursuant to the provisions of the 2013 Paying Agent Agreement.

The Refunded Bonds are further identified as follows:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP*</u>
2023	\$1,055,000	5.000%	132123 KX7
2024	1,150,000	3.500	132123 KY5
2025	1,225,000	4.000	132123 KZ2
2026	1,315,000	4.000	132123 LA6

**The District and the paying agent shall not be responsible for the selection or use of the CUSIP number(s) in this notice, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. The CUSIP number(s) are included solely for the convenience of the holders.*

Please note that this redemption is expressly conditioned upon the issuance and delivery of refunding general obligation bonds to be issued by the District, which is currently scheduled to occur on or before August 30, 2022. To the extent all or a portion of the proceeds of such refunding general obligation bonds are not received, this Conditional Notice shall be withdrawn. If this Conditional Notice is withdrawn, this Conditional Notice shall be of no force and effect and none of the Refunded Bonds shall be redeemed on the Redemption Date set forth above. Any Refunded Bonds

delivered for redemption shall be returned to the respective owners thereof, and the Refunded Bonds shall remain outstanding as though this Conditional Notice had not been given. Notice of a failure to receive funds, and cancellation of this redemption, shall be given by U.S. Bank Trust Company, National Association by first class mail, postage prepaid, to the registered owners of the Refunded Bonds.

On the Redemption Date there shall become due and payable upon each Refunded Bond the redemption price thereof, together with the interest accrued to the Redemption Date. From and after the Redemption Date, interest with respect to the Refunded Bonds shall cease to accrue.

Payment of the Refunded Bonds will be made upon presentation and surrender of the Refunded Bonds in the following manner.

Delivery Instructions:

U. S. Bank Trust Company, National Association
Corporate Trust Services
111 Fillmore Avenue E.
St. Paul, MN 55107

Additional information regarding the foregoing actions may be obtained from U.S. Bank Trust Company, National Association at telephone number 1-800-934-6802.

When inquiring about this redemption, please have the bond number available. Please inform the customer service representative of the CUSIP number(s) of the affected bonds.

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

DATED: [date of notice generation]

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as paying agent

IMPORTANT NOTICE

Federal law requires the paying agent 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

**CAMBRIAN SCHOOL DISTRICT
(SANTA CLARA COUNTY, CALIFORNIA)
2013 GENERAL OBLIGATION REFUNDING BONDS**

NOTICE IS HEREBY GIVEN pursuant to that certain paying agent agreement by and between the Cambrian School District (the “District”) and U.S. Bank National Association dated September 1, 2013 (the “2013 Paying Agent Agreement”), which authorized the issuance of the above-captioned bonds (the “Prior Bonds”), dated as of September 17, 2013, that the District has deposited in escrow with U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”), money in the necessary amount (as evidenced in a verification report provided to the Escrow Agent) to pay principal of (and premium, if any) and interest on the outstanding Prior Bonds maturing July 1, 2023 through and including July 1, 2026, and to redeem all of the outstanding Prior Bonds on September 16, 2022.

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP*</u>
2023	\$1,055,000	5.000%	132123 KX7
2024	1,150,000	3.500	132123 KY5
2025	1,225,000	4.000	132123 KZ2
2026	1,315,000	4.000	132123 LA6

**The District and the paying agent shall not be responsible for the selection or use of the CUSIP number(s) in this notice, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. The CUSIP number(s) are included solely for the convenience of the holders.*

The owners of the Prior Bonds shall cease to be entitled to the pledge of assets made under the 2013 Paying Agent Agreement. All agreements and covenants of the District contained in the 2013 Paying Agent Agreement with respect to the Prior Bonds shall be released and shall cease, terminate, become void and shall be discharged and satisfied, except for the obligation to pay principal of (and premium, if any) and interest on and the redemption price of the Prior Bonds, but only from moneys on deposit with the Escrow Agent.

The Escrow Agent will send or cause to be sent a notice of redemption to the owners of the Prior Bonds prior to the redemption date in accordance with the requirements of the 2013 Paying Agent Agreement.

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 REFUNDED BONDS.

DATED: [date of notice generation]

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, *as Paying and
Escrow Agent*