
ESCROW AGREEMENT

by and between the

TOWN OF YOUNTVILLE

and

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

Dated June 3, 2020

Relating to the refunding of the
Yountville Finance Authority
Lease Revenue Bonds, Series 2013

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Escrow Agreement"), dated June 3, 2020, is by and between the TOWN OF YOUNTVILLE, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California (the "Town"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow bank (the "Escrow Bank").

WITNESSETH:

WHEREAS, the Yountville Finance Authority (the "Authority") has heretofore issued its \$4,260,000 Yountville Finance Authority Lease Revenue Bonds, Series 2013, of which \$2,240,000 remains outstanding (the "2013 Bonds"), the proceeds of which were used to finance and refinance the costs of the certain capital improvements within the geographic boundaries of the Town (the "2013 Project");

WHEREAS, the 2013 Bonds were issued pursuant to the terms of an indenture, dated as of February 1, 2013 (the "2013 Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the "2013 Trustee");

WHEREAS, in order to provide for the repayment of the 2013 Bonds, the Authority leased certain real property and improvements (the "2013 Property") to the Town pursuant to a lease agreement, dated as of February 1, 2013 (the "2013 Lease Agreement"), under which the Town agreed to make lease payments to the Authority (the "2013 Lease Payments") from moneys in its General Fund and the Town has budgeted and appropriated sufficient amounts in each year to pay the full amount of principal of and interest on the 2013 Bonds;

WHEREAS, the Town has determined that it is in the best interests of the Town at this time to provide for the payment and prepayment of the 2013 Lease Payments and, as a result thereof, to provide for the payment and redemption of the 2013 Bonds and, to that end, the Town proposes to enter into a new lease agreement, dated as of June 1, 2020, by and between the Authority and the Town (the "Lease Agreement");

WHEREAS, the Town proposes to provide for the payment described above and to appoint the Escrow Bank as their agent for the purpose of applying said deposit to provide for the prepayment of the 2013 Lease Payments in accordance with the instructions provided by this Escrow Agreement and of applying said prepaid 2013 Lease Payments to the redemption of the 2013 Bonds and the Escrow Bank desires to accept said appointment;

WHEREAS, the Town wishes to provide for the payment described above and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited;

WHEREAS, to obtain moneys to make such deposit, and for certain other purposes, the Authority proposes to assign and transfer certain of its rights under the Lease Agreement to _____ (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of June 1, 2020, by and between the Authority and the Assignee;

WHEREAS, the Escrow Bank has full powers to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, herein, shall have the meanings ascribed thereto in the 2013 Indenture.

Section 2. Appointment of Escrow Bank. The Town hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the Town with, and to be held by, the Escrow Bank, as security for the prepayment of the 2013 Lease Payments and the redemption of the 2013 Bonds, as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the Town (the "Escrow Fund"). The Escrow Fund shall be held separate and apart from other funds and moneys of, or held by, the Escrow Bank. All moneys deposited in the Escrow Fund shall be held as a special fund for the prepayment of the 2013 Lease Payments and the payment and redemption of the 2013 Bonds. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Town of such fact and the Town shall immediately cure such deficiency. The Escrow Bank shall have no liability for such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with delivery of the Lease Agreement, the Town shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$2,242,787.2255 in immediately available funds, from the proceeds of the assignment of the Lease Agreement to the Assignee.

(b) The Escrow Bank shall hold all moneys deposited in the Escrow Fund in cash, uninvested. Such moneys shall be held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2013 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be transferred to the Town to be applied to the payment of principal and interest with respect to the Lease Agreement.

Section 5. Instructions as to Application of Deposit.

(a) The moneys deposited in the Escrow Fund pursuant to Section 4 shall be applied by the Escrow Bank for the sole purpose of redeeming the 2013 Bonds on June 17, 2020, at a redemption price equal to the principal amount of the 2013 Bonds plus accrued interest such date, as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as 2013 Trustee has previously been requested to give timely notice of the redemption of the 2013 Bonds on June 17, 2020, in accordance with the applicable provisions of the 2013 Indenture and the Escrow Bank, as 2013 Trustee, has done so.

Section 6. Application of 2013 Bond Moneys. Any amounts remaining on deposit in any fund or account established under the 2013 Indenture for the 2013 Bonds, including any investment earnings received after the date of original delivery of the Lease Agreement, shall be transferred by the Escrow Bank to the Town and applied as a credit against payments of principal and interest with respect to the Lease Agreement.

Section 7. Compensation to Escrow Bank. The Town shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or risk or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Town shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Town or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

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 purposes set forth in Section 5 hereof, 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 statement of the Town, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the purposes set forth in Section 5 hereof or to the validity of this Escrow Agreement as to the Town 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 or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Bank. The Escrow Bank may consult with counsel, who may or may not be counsel to the Town, 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) may be deemed to be conclusively established by a written certification of the Town.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Escrow Bank may execute any of the 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.

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank 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 Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Escrow Agreement and delivered using Electronic Means ("Electronic Means" means mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Town shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Town whenever a person is to be added or deleted from the listing. If the Town elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Town understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Town shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the Town and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Town. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Town agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Town; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its

particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the Town and the 2013 Trustee. Upon receiving such notice of resignation, the Town shall promptly appoint a successor, and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the Town, the 2013 Trustee, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

The Town hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective directors, officers, employees, successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the Town shall not be required to indemnify the Escrow Bank against its own negligence or willful misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics, quarantine restrictions or other similar occurrences."

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the 2013 Trustee shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of the 2013 Trustee, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Town, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, provided any such cure, correction or supplement does not adversely affect the interests of the 2013 Trustee, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel reasonably acceptable to the 2013 Trustee shall not materially adversely affect the interests of the holders of the 2013 Bonds, and that such amendment will not cause interest with respect to the 2013 Bonds to become subject to federal income taxation.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this 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 this Escrow Agreement.

Section 11. Notice to Escrow Bank and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank. Any notice to or demand upon the Town shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2013 Indenture (or such other address as may have been filed in writing by the Town with the Escrow Bank).

Section 12. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company is reasonably acceptable to the Town, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 13. Governing Law. This Escrow Agreement shall be governed by the laws of the State of California.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Town and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

TOWN OF YOUNTVILLE

By _____
Steven Rogers
Town Manager

Attest:

Michelle Dahme
Town Clerk

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

By _____
Gonzalo Urey
Vice President

EXHIBIT A
REDEMPTION SCHEDULE

Date	Maturing Principal	Called Principal	Interest	Redemption Premium	Total Payment
6/17/29	—	\$2,240,000	\$2,787.22	—	\$2,242,787.22