
ESCROW AGREEMENT

between the

COUNTY OF EL DORADO

and

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

Dated July 1, 2012

**relating to the
COMMUNITY FACILITIES DISTRICT NO. 1992-1 (EL DORADO HILLS
DEVELOPMENT), COUNTY OF EL DORADO, CALIFORNIA,
SERIES 1999 SPECIAL TAX BONDS**

and

**COMMUNITY FACILITIES DISTRICT NO. 1992-1 (EL DORADO HILLS
DEVELOPMENT), COUNTY OF EL DORADO, CALIFORNIA,
SERIES 2004 SPECIAL TAX BONDS
Maturing on and after September 1, 20__**

ESCROW AGREEMENT

This ESCROW AGREEMENT (the "Escrow Agreement"), dated July 1, 2012, by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "County"), 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 (the "Bank"), and being qualified to accept and administer the trust hereby created as escrow agent (the "Escrow Agent");

WITNESSETH:

WHEREAS, the County previously issued (i) \$43,650,000 aggregate principal amount of its Community Facilities District No. 1992-1 (El Dorado Hills Development), County of El Dorado, California, Series 1999 Special Tax Bonds (the "Series 1999 Bonds") and (ii) \$17,490,000 aggregate principal amount of its Community Facilities District No. 1992-1 (El Dorado Hills Development), County of El Dorado, California, Series 2004 Special Tax Bonds (the "Series 2004 Bonds"), pursuant to the Indenture dated August 1, 1999, as amended and supplemented by the First Supplemental Indenture dated May 1, 2004, the First Amendment to Indenture dated May 1, 2004, the Second Amendment to Indenture dated August 23, 2011 (as so and from time to time thereafter supplemented and amended, the "Indenture"), between The Bank of New York Mellon Trust Company, N.A., successor to BNY Western Trust Company, as fiscal agent (the "Fiscal Agent"), and the County;

WHEREAS, the County has duly issued \$[PAR AMOUNT] principal amount of its Community Facilities District No. 1992-1 (El Dorado Hills Development), County of El Dorado, California, 2012 Special Tax Refunding Bonds (the "2012 Refunding Bonds") pursuant to the Second Supplemental Indenture dated July 1, 2012, to currently refund the Series 1999 Bonds and advance refund the Series 2004 Bonds maturing on and after September 1, 20__ (the "Refunded Series 2004 Bonds," and, together with the Series 1999 Bonds, the "Refunded Prior Bonds") as provided 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 herein), certain direct noncallable 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 at the same time as such deposit and the income to accrue on such securities, will be sufficient to provide for the payment of interest on the Series 1999 Bonds to and including September 1, 2012, and to pay the redemption price of the Series 1999 Bonds on that date and to pay the principal of and the interest on the Refunded Series 2004 Bonds that is due on September 1, 2012, and to pay the redemption price of the Series 2004 Bonds on that date;

WHEREAS, the provisions of the Indenture 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 Escrow Fund. The Escrow Agent agrees to establish and maintain the Escrow Fund (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 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 trust 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 and payment of interest thereon as provided herein. On the date of execution and delivery of this Escrow Agreement, the County shall cause to be transferred to the Escrow Agent the sum of \$_____, which the Escrow Agent shall deposit in the Escrow Fund.

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 such amounts in cash in the Escrow Fund. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this section and in full compliance with the provisions hereof.

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 Refunded Prior Bonds that is due on September 1, 2012, and to pay the redemption price of the Refunded Prior Bonds on that date, as set forth in Schedule II attached hereto.

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, including the anticipated proceeds of the Escrow Securities, 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 therefor (if known to it), and 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. The County hereby irrevocably instructs the Escrow Agent, in accordance with the terms and conditions of the Indenture, to provide notices of redemption for the Refunded Prior Bonds, such notices to be provided in the time and manner specified in the Indenture and substantially in the forms shown in Exhibit A.

Section 6. Compensation and Indemnification of the Escrow Agent.

(a) Payment for Services. The County shall pay the Escrow Agent an annual fee 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 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 a lien on the Escrow Fund for any of its fees or expenses.

(b) Indemnification. The County agrees to indemnify the Escrow Agent, its directors, agents, and its officers or employees for, and hold the Escrow Agent, its directors, 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 particular indemnified party.

(c) Survival. The obligations of the County 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 7. Functions of the Escrow Agent.

(a) Application of Escrow Fund. Moneys held by the Escrow Agent hereunder are to be held and applied for the payment of the Refunded Prior Bonds in accordance with the Indenture and this Escrow Agreement.

(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 it 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 Indenture 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 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) Not Responsible for County's Representations. The Escrow Agent shall not be responsible for any of the recitals or representations contained herein, in the Indenture, or in the Bond Issuance Agreement.

(g) Escrow Agent May Own Refunding Bonds. 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 County.

(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 Escrow Securities and moneys to make the payments of principal of and interest and redemption premium on the Refunded Prior Bonds in accordance with the terms and conditions herein.

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

(j) Reliance On County 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 the County, 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 County of such resignation, whereupon the County 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 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 in trust under 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.

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

(m) **Bank's Funds Not at Risk.** None of the provisions of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

(n) **Use of Agents.** 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.

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 (i) there shall first have been filed with the County and the Escrow Agent 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 Refunding Bonds or the Refunded Prior Bonds, and unless (ii) such amendment is not materially adverse to the interests of the registered owners of the Refunded Prior Bonds, as evidenced by an opinion of counsel, or the Escrow Agent has received the written consent of the registered owners of all Refunded Prior Bonds then outstanding.

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 County:

County of El Dorado
330 Fair Lane
Placerville, CA 95667
Attention: County Auditor-Controller

If to the Escrow Agent:

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

700 South Flower Street, Suite 500
Los Angeles, CA 90017
Attn: Corporation Trust Office

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 County and the Escrow Agent have caused the Escrow Agreement to be executed each on its behalf as of the day and year first above written.

COUNTY OF EL DORADO

By: _____

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

By: _____
Authorized Officer

SCHEDULE I

ESCROW SECURITIES

**United States Treasury Certificates of Indebtedness
State and Local Government Series**

Principal Amount	Interest Rate	Issue Date	Maturity Date

SCHEDULE II

PAYMENT AND REDEMPTION SCHEDULES

Series 1999 Bonds

<u>Payment Date</u>	<u>Amount</u>
September 1, 2012	

Refunded Series 2004 Bonds

<u>Payment Date</u>	<u>Amount</u>
September 1, 2012	

SCHEDULE III
FINAL SLGS SUBSCRIPTION

EXHIBIT A

NOTICE OF REDEMPTION

**COMMUNITY FACILITIES DISTRICT NO. 1992-1 (EL DORADO HILLS DEVELOPMENT), COUNTY OF EL DORADO, CALIFORNIA,
SERIES 1999 SPECIAL TAX BONDS**

NOTICE IS HEREBY GIVEN pursuant to the Indenture dated August 1, 1999, as amended and supplemented by the First Supplemental Indenture dated May 1, 2004, the First Amendment to Indenture dated May 1, 2004, the Second Amendment to Indenture dated August 23, 2011 (as so supplemented and amended, the “Indenture”), between The Bank of New York Mellon Trust Company, N.A., successor to BNY Western Trust Company, as fiscal agent (the “Fiscal Agent”), and the County, which authorized and provided for the issuance and sale of the above-captioned bonds (the “Series 1999 Bonds”), that all of the Series 1999 Bonds will be redeemed on September 1, 2012 (the “Redemption Date”), at a redemption price equal to 100% of the principal amount thereof.

The original maturity dates of the Series 1999 Bonds and with their respective CUSIP numbers are as follows:

Maturity (September 1)	Certificate Number	CUSIP*	Maturity (September 1)	Certificate Number	CUSIP*
2016			2029		

*The County and the Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness as shown in this notice. They are included solely for the convenience of the owners.

The redemption price of the Series 1999 Bonds shall become due and interest on the Refunded Series A Bonds shall cease to accrue from and after the Redemption Date.

Payment of the Series 1999 Bonds will be made upon presentation and surrender of the Bonds at the location shown below. Registered or certified insured mail is suggested when submitting Bonds for payment.

By Mail:

The Bank of New York Mellon Trust
Company, N.A.
[address]

By Hand or by Overnight:

The Bank of New York Mellon Trust
Company, N.A.
[address]

Attn:

Attn:

DATED: (date of notice generation)

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

By: _____

Its: _____

NOTICE

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if tax identification number is not properly certified.

NOTICE OF REDEMPTION

**COMMUNITY FACILITIES DISTRICT NO. 1992-1 (EL DORADO HILLS DEVELOPMENT), COUNTY OF EL DORADO, CALIFORNIA,
SERIES 2004 SPECIAL TAX BONDS
Maturing on and after September 1, 20__**

NOTICE IS HEREBY GIVEN pursuant to the Indenture dated August 1, 1999, as amended and supplemented by the First Supplemental Indenture dated May 1, 2004, the First Amendment to Indenture dated May 1, 2004, the Second Amendment to Indenture dated August 23, 2011 (as so supplemented and amended, the “Indenture”), between The Bank of New York Mellon Trust Company, N.A., successor to BNY Western Trust Company, as fiscal agent (the “Fiscal Agent”), and the County, which authorized and provided for the issuance and sale of the above-captioned bonds (the “Refunded Series 2004 Bonds”), that all of the Refunded Series 2004 Bonds will be redeemed on September 1, 2012 (the “Redemption Date”), at a redemption price equal to 102% of the principal amount thereof.

The original maturity dates of the Refunded Series 2004 Bonds and with their respective CUSIP numbers are as follows:

<u>Maturity (September 1</u>	<u>Certificate Number</u>	<u>CUSIP*</u>	<u>Maturity (September 1</u>	<u>Certificate Number</u>	<u>CUSIP*</u>

*The County and the Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness as shown in this notice. They are included solely for the convenience of the owners.

The redemption price of the Refunded Series 2004 Bonds shall become due and interest on the Refunded Series 2004 Bonds shall cease to accrue from and after the Redemption Date.

Payment of the Refunded Series 2004 Bonds will be made upon presentation and surrender of the Bonds at the location shown below. Registered or certified insured mail is suggested when submitting Bonds for payment.

By Mail:
The Bank of New York Mellon Trust
Company, N.A.
[address]

By Hand or by Overnight:
The Bank of New York Mellon Trust
Company, N.A.
[address]

Attn:

Attn:

DATED: (date of notice generation)

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

By: _____

Its: _____

NOTICE

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if tax identification number is not properly certified.