

**ESCROW DEPOSIT AGREEMENT**

**Between**

**NORTHERN CALIFORNIA POWER AGENCY**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as Trustee**

**Dated as of April 1, 2022**

**Relating to**

**Hydroelectric Project Number One Revenue Bonds,  
2012 Refunding Series A**

## TABLE OF CONTENTS

	Page
SECTION 1. DEFINITIONS.....	2
SECTION 2. THE ESCROW FUND .....	2
SECTION 3. USE AND INVESTMENT OF MONEYS .....	3
SECTION 4. PAYMENT OF ESCROW REQUIREMENTS.....	3
SECTION 5. NOTICE OF REDEMPTION AND NOTICE OF DEFEASANCE.....	3
SECTION 6. TERMINATION OF OBLIGATIONS .....	4
SECTION 7. PERFORMANCE OF DUTIES.....	4
SECTION 8. TRUSTEE’S AUTHORITY TO MAKE INVESTMENTS .....	4
SECTION 9. INDEMNITY .....	4
SECTION 10. RESPONSIBILITIES OF TRUSTEE .....	5
SECTION 11. COMPENSATION .....	5
SECTION 12. AMENDMENTS .....	5
SECTION 13. TERM.....	6
SECTION 14. SEVERABILITY .....	6
SECTION 15. REPRESENTATIONS.....	6
SECTION 16. COUNTERPARTS .....	6
SECTION 17. GOVERNING LAW .....	6
SECTION 18. ASSIGNMENT .....	6
EXHIBIT A FORM OF NOTICE OF REDEMPTION TO BE GIVEN.....	A-1
EXHIBIT B FORM OF NOTICE OF DEFEASANCE TO BE GIVEN .....	B-1

## ESCROW DEPOSIT AGREEMENT

Relating to

Northern California Power Agency  
Hydroelectric Project Number One Revenue Bonds,  
2012 Refunding Series A

**THIS ESCROW DEPOSIT AGREEMENT**, dated as of April 1, 2022 (this “Agreement”), by and between Northern California Power Agency (“NCPA”) and U.S. Bank Trust Company, National Association, New York, New York, as successor trustee (the “Trustee”) under the Indenture of Trust, dated as of March 1, 1985 (the “Original Indenture”), as amended and supplemented, by and between NCPA and the Trustee,

### WITNESSETH:

**WHEREAS**, NCPA has previously authorized and issued its Hydroelectric Project Number One Revenue Bonds, 2012 Refunding Series A (the “2012 Series A Bonds”) under the Original Indenture as amended and supplemented, including the supplements thereto made by the Twenty-Second Supplemental Indenture of Trust, dated as of February 1, 2012, by and between NCPA and the Trustee; and

**WHEREAS**, the 2012 Series A Bonds are currently outstanding in the aggregate principal amount of \$76,665,000 and mature on July 1 in each of the years 2024 through 2032, inclusive; and

**WHEREAS**, the outstanding 2012 Series A Bonds are subject to redemption at the option of NCPA in whole or in part on any date on and after July 1, 2022, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (the “Redemption Price”), plus unpaid accrued thereon to the date fixed for redemption; and

**WHEREAS**, NCPA has determined to refund all of the outstanding 2012 Series A Bonds (such 2012 Series A Bonds to be refunded as more fully described in Schedule 1 hereto and hereinafter referred to as the “Refunded Bonds”) and to exercise its option to redeem on July 1, 2022 (the “Redemption Date”) such Refunded Bonds; and

**WHEREAS**, NCPA has determined to provide the Trustee (as Trustee and Paying Agent for the Refunded Bonds and as an escrow agent hereunder) with the funds which, together with the interest thereon as provided herein, will provide amounts necessary to pay the maturing principal or Redemption Price (as applicable) of, and interest accrued and unpaid on, the Refunded Bonds on the Redemption Date (such amounts the “Escrow Requirements” as shown on Schedule 2 hereto); and

**WHEREAS**, for the purpose of paying and refunding the Refunded Bonds, NCPA has issued pursuant to the Original Indenture as supplemented by the Twenty-Seventh Supplemental Indenture of Trust [and the Twenty-Eighth Supplemental Indenture, each] dated as of April 1, 2022, by and between NCPA and the Trustee, \$\_\_\_\_\_ aggregate principal amount

of its Hydroelectric Project Number One Revenue Bonds, 2022 Refunding Series A (the “2022 Series A Bonds”) [and \$\_\_\_\_\_ aggregate principal amount of its Hydroelectric Project Number One Revenue Bonds, 2022 Taxable Refunding Series B (the “2022 Series B Bonds”)]; and

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, NCPA and the Trustee agree as follows:

**SECTION 1. Definitions.** Unless otherwise defined herein (including in the recitals above), capitalized terms shall have the meanings herein given such terms in the Original Indenture, as amended and supplemented by the Supplemental Indentures (as defined in the Original Indenture) thereto.

In addition, the following terms shall, unless the context otherwise requires, have the meanings set forth below.

“**Defeasance Securities**” shall mean the noncallable, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America described in Schedule 3 hereto.

“**Escrow Fund**” shall mean the fund established pursuant to Section 2(a) of this Agreement.

**SECTION 2. The Escrow Fund.**

(a) There is hereby established with the Trustee a fund designated the “Hydroelectric Project Number One Revenue Bonds, 2012 Series A Refunding Escrow Fund” (the “Escrow Fund”) to be held in irrevocable trust by the Trustee for the benefit of the Holders of the Refunded Bonds separate and apart from all other funds of NCPA and the Trustee, subject, nonetheless, to the application thereof as provided in this Agreement.

Subject to the provisions of this Agreement, amounts in the Escrow Fund shall be applied solely to the payment of the Escrow Requirements as specified in Section 4 hereof. All Defeasance Securities purchased with moneys in the Escrow Fund shall be held for the credit of the Escrow Fund and all payments, including without limitation, all principal and interest payments with respect to such Defeasance Securities, shall be deposited upon receipt by the Trustee into the Escrow Fund.

(b) NCPA acknowledges that it has no right, title or interest in or to any of the moneys or Defeasance Securities held in the Escrow Fund. Under no circumstances shall any money or Defeasance Securities held in the Escrow Fund be paid over or delivered to, or upon the order of, NCPA.

(c) There has been deposited with the Trustee for deposit in the Escrow Fund the sum of \$\_\_\_\_\_, consisting of the following: (i) \$\_\_\_\_\_, representing a portion of the proceeds of the 2022 Series A Bonds; [and] (ii) \$\_\_\_\_\_, representing a portion of the proceeds of the 2022 Series B Bonds; and (iii) \$\_\_\_\_\_, representing amounts transferred

from the Debt Service Account and the Series Debt Service Reserve Account with respect to the Refunded Bonds pursuant to subsection (d) below.

(d) The Trustee is hereby directed to transfer to the Escrow Fund:  
(1) \$\_\_\_\_\_, representing amounts accumulated in the Debt Service Account, and  
(2) \$\_\_\_\_\_, representing amounts held in the Series Debt Service Reserve Account, each with respect to the Refunded Bonds.

(e) The Trustee acknowledges receipt of the moneys described in Section 2(c) and agrees to deposit such moneys in the Escrow Fund and apply such moneys as provided in this Agreement.

### **SECTION 3. Use and Investment of Moneys.**

(a) The Trustee is hereby directed to apply, on \_\_\_\_\_, 2022, \$\_\_\_\_\_ of the moneys deposited in the Escrow Fund pursuant to Section 2(c) to the purchase of the Defeasance Securities at the purchase price set forth in Schedule 3 hereto. Except as provided in this subsection (a), the moneys on deposit in the Escrow Fund or otherwise held by the Trustee under this Agreement shall be held uninvested by the Trustee.

(b) NCPA represents, and the Accountant's Certificate delivered by \_\_\_\_\_ to the Trustee at the time of execution and delivery of this Agreement verifies, that the moneys to be received from the maturing principal of and interest on the Defeasance Securities shall be sufficient, together with the \$\_\_\_\_\_ of other funds held in the Escrow Fund, to pay the Escrow Requirements when due.

(c) The moneys held in the Escrow Fund, including receipts of payments of the principal of and interest on the Defeasance Securities, shall not be withdrawn or used for any purpose other than, and shall be held in trust for, the payment to the Holders of the Refunded Bonds of the Escrow Requirements when due as required by Section 4.

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

**SECTION 4. Payment of Escrow Requirements.** From the maturing principal of any Defeasance Securities held in the Escrow Fund and the investment income and other earnings thereon and the uninvested money then held in the Escrow Fund, U.S. Bank Trust Company, National Association, as Trustee and Paying Agent for the Refunded Bonds, shall pay the maturing principal or Redemption Price of the Refunded Bonds on the Redemption Date and unpaid accrued interest thereon.

### **SECTION 5. Notice of Redemption and Notice of Defeasance.**

(a) NCPA irrevocably directs the Trustee to give the notice of redemption of the Refunded Bonds to be redeemed on the Redemption Date not less than thirty (30) days prior to the Redemption Date (i) to the Holders of such Refunded Bonds by the time and in the manner required by the Indenture and (ii) to post such notice to the Electronic Municipal Market Access System (referred to as "EMMA") of the Municipal Securities Rulemaking Board ("MSRB"), at

[www.emma.msrb.org](http://www.emma.msrb.org), linked to all CUSIP Numbers of the Refunded Bonds. Such notice shall be in substantially the form attached hereto as Exhibit A.

(b) NCPA irrevocably directs the Trustee to give the notice of defeasance of the Refunded Bonds within five (5) business days of the date hereof (i) to the Holders of the Refunded Bonds and otherwise in the manner required by the Indenture and (ii) to post such notice to EMMA linked to all CUSIP Numbers of the Refunded Bonds. Such notice shall be in substantially the form attached hereto as Exhibit B.

**SECTION 6. Termination of Obligations.** As provided in subsection 2 of Section 1301 of the Original Indenture, upon the deposit of the amounts specified in Section 2(c) and the purchase of Defeasance Securities pursuant to Section 3(a), the Holders of the Refunded Bonds shall cease to be entitled to any lien, benefit or security under the Indenture with respect to the Refunded Bonds, and all covenants, agreements and obligations of NCPA with respect to the Refunded Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied and the Refunded Bonds shall no longer be Outstanding within the meaning of the Indenture.

Notwithstanding the provisions for payment of the Refunded Bonds as provided in, and with the effect stated in, subsection 2 of Section 1301 of the Original Indenture, the provisions of the Indenture relating to record dates, medium of payment, registration, transfer, exchange and replacement shall continue to apply to the Refunded Bonds.

**SECTION 7. Performance of Duties.** The Trustee agrees to perform the duties set forth herein.

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

**SECTION 9. Indemnity.** NCPA 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 Trustee 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 and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Trustee at any time (whether or not also indemnified against the same by NCPA 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 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 hereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Trustee in accordance with the provisions of this Agreement; provided, however, that NCPA shall not be required to indemnify the Trustee against the Trustee's own negligence or willful misconduct or the negligence or willful misconduct of the Trustee's respective successors, assigns, agents and employees or the material

breach by the Trustee of the terms of this Agreement. In no event shall NCPA or the Trustee 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 Agreement.

**SECTION 10. Responsibilities of Trustee.** The Trustee 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 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 redemption of the Refunded Bonds, or any payment, transfer or other application of moneys or securities by the Trustee in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Trustee 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 NCPA, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the redemption of the Refunded Bonds pursuant to the Indenture or to the validity of this Agreement as to NCPA and, except as otherwise provided herein, the Trustee shall incur no liability in respect thereof. The Trustee shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Trustee shall be determined by the express provisions of this Agreement. The Trustee may consult with counsel, who may or may not be counsel to NCPA, 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 Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring an Accountant's Certificate or an Opinion of Bond Counsel) may be deemed to be conclusively established by a certificate signed by an Authorized NCPA Representative. Whenever the Trustee shall deem it necessary or desirable that a matter specifically requiring an Accountant's Certificate or an Opinion of Bond Counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by such an Accountant's Certificate or such Opinion of Bond Counsel.

**SECTION 11. Compensation.** The Trustee's acts hereunder shall constitute services rendered under the Indenture for purposes of Section 1005 of the Original Indenture; provided, however, that under no circumstances shall the Trustee be entitled to any lien whatsoever on any moneys or Defeasance Securities in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Trustee under this Agreement, the Indenture or otherwise.

**SECTION 12. Amendments.** This Agreement is irrevocable and no provision hereof may be amended except as specifically set forth herein. NCPA and the Trustee may, without the consent of, or notice to, the Holders of the Bonds, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the

interests of the Holders of the Refunded Bonds. The Trustee shall be entitled to rely conclusively upon an Opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the Holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

**SECTION 13.** **Term.** This Agreement shall commence upon its execution and delivery and shall terminate on the date the principal of and interest on the Refunded Bonds has been paid to the respective Holders of the Refunded Bonds as required by Section 4 hereof. After such payment, any moneys remaining in the Escrow Fund shall be transferred by the Trustee to the General Debt Service Subaccount in the Debt Service Account in the Debt Service Fund.

**SECTION 14.** **Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of NCPA or the Trustee 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 Agreement.

**SECTION 15.** **Representations.** NCPA represents and warrants that the statements contained in the preambles to this Agreement are true and correct.

**SECTION 16.** **Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

**SECTION 17.** **Governing Law.** This Agreement shall be construed under the laws of the State of California.

**SECTION 18.** **Assignment.** This Agreement shall not be assigned by the Trustee or any successor thereto without the prior written consent of NCPA.

[Remainder of page intentionally left blank.]



**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**NORTHERN CALIFORNIA POWER  
AGENCY**

By: \_\_\_\_\_  
General Manager

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, as Trustee**

By: \_\_\_\_\_  
Authorized Signatory

# SCHEDULE 1

## DESCRIPTION OF THE REFUNDED BONDS

Maturity Date (July 1)	Outstanding Principal Amount to be Refunded	Interest Rate	CUSIP
2024	\$ 4,475,000	5.00%	664845EB6
2025	11,265,000	5.00	664845EC4
2026	11,830,000	5.00	664845ED2
2027	12,425,000	5.00	664845EE0
2028	13,040,000	5.00	664845EF7
2029	4,570,000	5.00	664845EG5
2030	4,800,000	5.00	664845EH3
2031	5,040,000	5.00	664845EJ9
2032	<u>9,220,000</u>	5.00	664845EK6
Total	\$76,665,000		

SCHEDULE 2  
ESCROW REQUIREMENTS

Date	Interest	Maturing Principal	Called Principal	Call Premium	Total Requirements
07/01/22	\$_____.00	--	\$76,665,000.00	--	\$_____.00

SCHEDULE 3

DEFEASANCE SECURITIES

TYPE AND CUSIP	MATURITY DATE	PAR AMOUNT	INTEREST RATE	YIELD	PRICE	COST	ACCRUED INTEREST	TOTAL COST
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**EXHIBIT A**  
**FORM OF NOTICE OF REDEMPTION TO BE GIVEN**

## NOTICE OF REDEMPTION

### NORTHERN CALIFORNIA POWER AGENCY HYDROELECTRIC PROJECT NUMBER ONE REVENUE BONDS, 2012 REFUNDING SERIES A

Maturity Date (July 1)	Outstanding Principal Amount to be Refunded	Interest Rate	CUSIP*
2024	\$ 4,475,000	5.00%	664845EB6
2025	11,265,000	5.00	664845EC4
2026	11,830,000	5.00	664845ED2
2027	12,425,000	5.00	664845EE0
2028	13,040,000	5.00	664845EF7
2029	4,570,000	5.00	664845EG5
2030	4,800,000	5.00	664845EH3
2031	5,040,000	5.00	664845EJ9
2032	9,220,000	5.00	664845EK6

TO: The Owners of the above-captioned bonds (the “Bonds”)

U.S. Bank Trust Company, National Association acts as the trustee (the “Trustee”) with respect to the above-referenced Bonds issued on February 7, 2012 pursuant to the Indenture of Trust, dated as of March 1, 1985, as amended and supplemented (the “Indenture”), by and between the Northern California Power Agency (“NCPA”) and the Trustee.

On behalf of NCPA, you are hereby notified that:

1. NCPA has exercised its option to redeem the Bonds identified above on July 1, 2022 (the “Redemption Date”);

2. on the Redemption Date, there shall become due and payable upon each Bond the Redemption Price thereof, which is 100% of the principal amount of the Bond, together with unpaid accrued interest on such principal amount to the Redemption Date, and that from and after the Redemption Date interest on the Bonds shall cease to accrue and be payable;

3. payment of the Redemption Price of the Refunded Bonds called for redemption will be paid only upon presentation and surrender of such bonds at the address listed below (if delivery is by mail, registered mail with return receipt requested is recommended):

*Delivery Instructions:*

U.S. Bank Trust Company, National Association  
Global Corporate Trust Services  
111 Fillmore Avenue E  
St. Paul, MN 55107  
1-800-934-6802

**Important Notice**

Withholding of gross redemption proceeds of any payment made within the United States may be required at the applicable rate by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), unless the Trustee has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

*\* The CUSIP numbers listed above are provided for the convenience of the holders. NCPA or the Trustee are not responsible for the accuracy of such numbers.*

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, as Trustee

Dated: May \_\_, 2022

**EXHIBIT B**  
**FORM OF NOTICE OF DEFEASANCE TO BE GIVEN**



## NOTICE OF DEFEASANCE

### NORTHERN CALIFORNIA POWER AGENCY HYDROELECTRIC PROJECT NUMBER ONE REVENUE BONDS, 2012 REFUNDING SERIES A

Maturity Date (July 1)	Outstanding Principal Amount to be Refunded	Interest Rate	CUSIP*
2024	\$ 4,475,000	5.00%	664845EB6
2025	11,265,000	5.00	664845EC4
2026	11,830,000	5.00	664845ED2
2027	12,425,000	5.00	664845EE0
2028	13,040,000	5.00	664845EF7
2029	4,570,000	5.00	664845EG5
2030	4,800,000	5.00	664845EH3
2031	5,040,000	5.00	664845EJ9
2032	9,220,000	5.00	664845EK6

TO: The Owners of the above-captioned bonds (the “Bonds”)

U.S. Bank Trust Company, National Association acts as the trustee (the “Trustee”) with respect to the above-referenced Bonds issued on February 7, 2012 pursuant to the Indenture of Trust, dated as of March 1, 1985, as amended and supplemented (the “Indenture”), by and between the Northern California Power Agency (“NCPA”) and the Trustee.

NOTICE IS HEREBY GIVEN on behalf of NCPA that there has been deposited in escrow with the Trustee, cash and noncallable, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (“Defeasance Securities”), paying interest and principal in an amount which, together with the amounts held as cash, shall be sufficient to pay, on July 1, 2022, the redemption price (*i.e.*, 100% of the principal amount) of the Bonds identified in the table above, plus unpaid accrued interest thereon. NCPA has instructed the Trustee to call the Bonds for redemption on July 1, 2022.

The Bonds have been defeased pursuant to an Escrow Deposit Agreement, dated as of April 1, 2022 (the “Escrow Agreement”), between NCPA and the Trustee. In accordance with the Indenture, upon the deposit by NCPA of the amounts as provided in the Escrow Agreement and the purchase of the Defeasance Securities pursuant thereto, the Holders of the Bonds shall have ceased to be entitled to any lien, benefit or security under the Indenture with respect to such Bonds, and all covenants, agreements and obligations of NCPA with respect to the Bonds under the Indenture shall have ceased, terminated and become void and been discharged and satisfied. All payments of the interest on, and the principal or redemption price of, the Bonds shall be paid only from moneys on deposit with the Trustee and available under the Escrow Agreement as aforesaid, and the Bonds shall no longer be Outstanding within the meaning of the Indenture.

Capitalized terms used herein not otherwise defined shall have the meaning given such terms in the Indenture.

*\* The CUSIP numbers listed above are provided for the convenience of the holders. NCPA or the Trustee are not responsible for the accuracy of such numbers.*

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, as Trustee

Dated: \_\_\_\_\_, 2022