

DEFEASANCE ESCROW AGREEMENT

Relating to:

\$15,825,000

Ramsey County, Minnesota

**General Obligation Capital Improvement Plan Refunding Bonds
Series 2016C**

THIS DEFEASANCE ESCROW AGREEMENT, dated November 22, 2023 (the “Agreement”), is made and executed by and between Ramsey County, Minnesota (the “County”) and U.S. Bank Trust Company, National Association, a banking corporation whose deposits are insured by the Federal Deposit Insurance Corporation and whose capital and surplus is not less than \$500,000 (the “Escrow Agent”):

WITNESSETH: That the parties hereto recite and, in consideration of the mutual covenants contained herein, covenant and agree as follows:

1. Pursuant to a resolution adopted by this Board on July 19, 2016 (the “Bond Resolution”), the County issued its General Obligation Capital Improvement Plan Refunding Bonds, Series 2016C (the “2016C Bonds”), dated August 18, 2016, in the original aggregate principal amount of \$15,825,000, pursuant to Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”). A portion of the 2016C Bonds in the original principal amount of \$1,220,000 refinanced prior bonds issued by the County for the acquisition and betterment of the Ramsey County Care Center, of which \$545,000 remains outstanding (the “Defeased Portion”).

2. The County, in accordance with a resolution adopted by its governing body on November 14, 2023, entitled “Resolution Providing for the Defeasance of the County’s Outstanding General Obligation Capital Improvement Plan Refunding Bonds, Series 2016C, and Authorizing Execution of an Escrow Agreement” (the “Defeasance Resolution”), a certified copy of which has been filed with the Escrow Agent, has provided for the defeasance, the redemption and prepayment of the Defeased Portion of the 2016C Bonds.

3. The County has also, in accordance with the Defeasance Resolution, appropriated the amount of [\$560,166.00] for purchase of securities which are general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, or securities issued by agencies of the United States (collectively, the “Federal Securities”), as described in the Escrow Verification Report which is attached hereto, marked **Exhibit A** and made a part hereof, together with cash in the amount of [\$0.53], and has irrevocably deposited all such funds and securities with the Escrow Agent on the date of this Agreement. It is understood and agreed that the dates and amounts of payments of principal and interest due on the Federal Securities so deposited are as indicated in **Exhibit A**, and that the principal and interest payments due on such securities together with the initial cash deposit are such as to provide the funds required to pay all principal and interest payable on the Defeased Portion of the 2016C Bonds on or prior to February 1, 2025 (the “Redemption Date”) as indicated in **Exhibit A**.

4. The Escrow Agent acknowledges receipt of the Federal Securities described in paragraph 2 hereof and agrees that it will hold such securities in a special escrow account (the “Escrow Account”) created by the Defeasance Resolution in the name of the County, and will collect and receive on behalf of the County all payments of principal and interest on such securities and will remit from the Escrow Account to the paying agent (the “Paying Agent”) for the Defeased Portion of the 2016C Bonds the funds required from time to time for the payment of principal and interest on the Defeased Portion of the 2016C Bonds on

or prior to the Redemption Date. After provision for payment of all of the Defeased Portion of the 2016C Bonds, the Escrow Agent will remit any remaining funds in the Escrow Account to the County.

5. In order to ensure continuing compliance with the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (collectively, the “Code”), the Escrow Agent agrees that it will not invest any cash deposits or reinvest any cash received in payment of the principal of and interest on the Federal Securities held in the Escrow Account unless and until an opinion is received by Escrow Agent from nationally recognized bond counsel that investments or reinvestments, as specified in said opinion, may be made in a manner consistent with the Code. Investment or reinvestment, if any, of amounts in the Escrow Account made pursuant to this paragraph may be made only at the further direction of the Chief Financial Officer of the County (the “Chief Financial Officer”) and in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as will be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay when due the interest to accrue on each of the Defeased Portion of the 2016C Bonds, and to pay when due the principal amount of each of the Defeased Portion of the 2016C Bonds. Securities purchased from the monies in the Escrow Account will be limited to securities described in Minnesota Statutes, Section 475.67, subdivision 8. The Escrow Agent, as agent for the County, shall purchase any such securities for and on behalf of the County and in its name.

6. The Escrow Agent expressly waives any lien upon or claim against the moneys and investments in the Escrow Account.

7. If at any time it shall appear to the Escrow Agent that the money in the Escrow Account allocable for such use hereunder will not be sufficient to make any payment due to the holders of any of the Defeased Portion of the 2016C Bonds, the Escrow Agent shall immediately notify the County. The County thereupon shall forthwith deposit in Escrow Account, from Pledged Funds (as such term is defined in the Defeasance Resolution) or otherwise from funds on hand and legally available to the County, such additional funds as may be required to meet fully the amount to become due and payable. The County acknowledges its obligation to levy ad valorem taxes on all taxable property in the County to the extent required to produce moneys necessary for this purpose. The County and the Escrow Agent acknowledge receipt of a verification report from _____, ~~[certified public accountants]~~ Ritz & Associates PA, Bloomington, Minnesota, dated _____, 2023, which is attached hereto, marked **Exhibit A** and made a part hereof, to the effect that such cash and securities are sufficient to comply with the requirements of the Act.

8. On or before February 1, 2024, and on or before February 1 of each year thereafter until termination of the Escrow Account, the Escrow Agent shall submit to the County a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder during the preceding year. Such report shall also list all obligations held in the Escrow Account and the amount of money on hand in the Escrow Account as of the end of the preceding year.

9. The Escrow Agent shall cause the Notice of Call for Redemption attached hereto as **EXHIBIT B** to be mailed not less than 30 days prior to the Redemption Date to The Depository Trust Company (a limited purpose trust company), New York, New York (“DTC”), for the purpose of giving notice prior to the Redemption Date to the registered owners of the Defeased Portion of the 2016C Bonds to be redeemed, at their addresses appearing on the bond register, but failure to give such notice shall not affect the validity of the call for redemption.

10. The Escrow Agent shall cause the Notice of Defeasance attached hereto as **EXHIBIT C** to be filed with the Municipal Securities Rulemaking Board within 10 business days of the issuance of the execution of this Agreement.

11. It is recognized and agreed that title to the Federal Securities and cash, if any, held in the Escrow Account from time to time shall remain vested in the County but subject always to the prior charge and lien thereon of this Agreement and the use thereof required to be made by this Agreement. The Escrow Agent shall hold all such money and obligations in a special trust fund and account separate and wholly segregated from all other funds and securities of the Escrow Agent, and shall never commingle such money or securities with other money or securities; provided, however, that nothing herein contained shall be construed to require the Escrow Agent to keep the identical monies, or any part thereof, received for the Escrow Account on hand, but moneys of an equal amount (except to the extent such are represented by investments permitted under this Agreement) shall always be maintained on hand as funds held by the Escrow Agent as trustee, belonging to the County, and a special account shall at all times be maintained on the books of the Escrow Agent, together with such investments. In the event of the Escrow Agent's failure to account for any money or obligations held by it in the Escrow Account, such money and obligations shall be and remain the property of the County, and if for any reason such money or obligations cannot be identified, all other assets of the Escrow Agent shall be impressed with a trust for the amount thereof, and the County shall be entitled to a preferred claim upon such assets. It is understood and agreed that the responsibility of the Escrow Agent under this Agreement is limited to the safekeeping and segregation of the funds and securities deposited with it in the Escrow Account, and the collection of and accounting for the principal and interest payable with respect thereto, the reinvestment of certain funds in Federal Securities to the extent not being held as uninvested cash and the remittance of the funds to the paying agent as provided in this Agreement.

12. This Agreement is made by the County for the benefit of the holders of the Defeased Portion of the 2016C Bonds, and is not revocable by the County, and the investments and other funds deposited in the Escrow Account and all income therefrom have been irrevocably appropriated for the payment of the principal amount of and interest on the Defeased Portion of the 2016C Bonds in accordance with this Agreement.

13. This Agreement shall be binding upon and shall inure to the benefit of the County and the Escrow Agent and their respective successors and assigns. In addition, this Agreement shall constitute a third-party beneficiary contract for the benefit of the holders of the Defeased Portion of the 2016C Bonds and said third-party beneficiaries shall be entitled to enforce performance and observance by the County and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if said third-party beneficiaries were parties hereto. Any bank into which the Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, if the County approves, be the successor agent without the execution of any document or the performance of any further act.

14. The Escrow Agent may at any time resign and be discharged of its obligations hereunder by giving to the Chief Financial Officer written notice of such resignation not less than 60 days before the date when the same is to take effect and as otherwise required in accordance with applicable laws and rules; provided that the Escrow Agent shall return to the County the pro rata portion of its fee which is allocable to the period of time commencing on the effective date of such resignation. Such resignation shall take effect upon the date specified in the notice, or upon the appointment and qualification of a successor prior to that date. In the event of such resignation, a successor shall promptly be appointed by the County, and the Chief Financial Officer shall immediately give written notice thereof to the predecessor escrow agent and as otherwise required in accordance with applicable laws and rules. If, in a proper case, no appointment of a successor agent is made within 45 days after the receipt by the County of notice of such resignation, the Escrow Agent or the holder of any Bond may apply to any court of competent jurisdiction to appoint a successor escrow agent, which appointment may be made by the Court after such notice, if any, as the court

may prescribe. Any successor escrow agent appointed hereunder shall execute, acknowledge and deliver to its predecessor escrow agent and to the County a written acceptance of such appointment, and shall thereupon without any further act, deed or conveyance become fully vested with all moneys, properties, duties and obligations of its predecessor, but the predecessor shall nevertheless pay over, transfer, assign and deliver all moneys, securities or other property held by it to the successor escrow agent, shall execute, acknowledge and deliver such instruments of conveyance and do such other things as may reasonably be required to vest and confirm more fully and certainly in the successor escrow agent all right, title and interest in and to any property held by it hereunder. Any bank into which the Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, if the County approves, be the successor escrow agent without the execution of any document or the performance of any further act.

15. The Escrow Agent acknowledges receipt of the sum of \$ _____ as its full compensation for its services to be performed under this Agreement.

16. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the County the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Issuer with periodic cash transaction statements that include the detail for all investment transactions made by the Escrow Agent for all current and future accounts.

17. **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

18. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed:

If to the County:	Ramsey County, Minnesota 121 7 th Place East, Suite 4000 St. Paul, MN 55101 Attention: Chief Financial Officer
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If to the Escrow Agent:	U.S. Bank Trust Company, National Association 60 Livingston Avenue EP-MN-WS3C St. Paul, MN 55107-2292 Attention: Corporate Trust Services
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19. The exhibits which are a part of this Agreement are as follows:

Exhibit A	Verification Report
Exhibit B	Notice of Call for Redemption

Exhibit C

Notice of Defeasance

IN WITNESS WHEREOF the parties hereto have caused this Defeasance Escrow Agreement to be duly executed by their duly authorized officers, in counterparts, each of which is deemed to be an original agreement, as of the date and year first written above.

RAMSEY COUNTY, MINNESOTA

APPROVED AS TO FORM:

By _____
Its Chair of the County Board

Assistant County Attorney

By _____
Its County Manager

By _____
Its Chief Clerk

(Signature page of the County to the Defeasance Escrow Agreement)

Execution page of the Escrow Agent to the Defeasance Escrow Agreement, dated as of the date and year first written above.

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

By _____
Its _____

(Signature page of the Escrow Agent to the Defeasance Escrow Agreement)

EXHIBIT A
VERIFICATION REPORT

EXHIBIT B

NOTICE OF CALL FOR REDEMPTION

\$15,825,000
Ramsey County, Minnesota
General Obligation Capital Improvement Plan Refunding Bonds
Series 2016C

NOTICE IS HEREBY GIVEN that, by order of the Board of Commissioners of Ramsey County, Minnesota (the "County"), there have been called for redemption and prepayment on

February 1, 2025

the following portion of the outstanding bonds of the County designated as General Obligation Capital Improvement Plan Refunding Bonds, Series 2016C, dated August 18, 2016, consisting of a portion of the February 1, 2026 maturity (in the amount of \$140,000) and a portion of the February 1, 2027 maturity (in the amount of \$140,000) totaling \$545,000 in principal amount, and with the following CUSIP numbers:

Year of Maturity	Amount	Original CUSIP	Defeased Amount	New CUSIP for Defeased Portion	Undefeased Amount	New CUSIP for Undefeased Amount
2026	\$140,000	751622 PH8	\$140,000	751622 YD7	\$1,230,000	751622 YH8
2027	\$140,000	751622 PJ4	\$140,000	751622 YE5	\$1,290,000	751622 YJ4

The bonds are being called at a price of par plus accrued interest to February 1, 2025, on which date all interest on said bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the main office of ~~Chief Financial Officer of the County~~ U.S. Bank Trust Company, National Association in Saint Paul, Minnesota, on or before February 1, 2025.

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2003, the paying agent is required to withhold a specified percentage of the principal amount of the redemption price payable to the holder of any bonds subject to redemption and prepayment on the redemption date, unless the paying agent is provided with the Social Security Number or Federal Employer Identification Number of the holder, properly certified. Submission of a fully executed Request for Taxpayer Identification Number and Certification, Form W-9, will satisfy the requirements of this paragraph.

The Registrar is not responsible for the selection or use of the CUSIP number, nor is any representation made as to the correctness indicated in the Redemption Notice or on any Bond. It is included solely for convenience of the Holders.

Dated: November 14, 2023

BY ORDER OF THE BOARD OF

COMMISSIONERS

EXHIBIT C

NOTICE OF CALL FOR DEFEASANCE

\$15,825,000
Ramsey County, Minnesota
General Obligation Capital Improvement Plan Refunding Bonds
Series 2016C

NOTICE IS HEREBY GIVEN to the holders of the following portion of the outstanding bonds of the County designated as General Obligation Capital Improvement Plan Refunding Bonds, Series 2016C, dated August 18, 2016, consisting of a portion of the February 1, 2024 maturity (in the amount of \$130,000), a portion of the February 1, 2025 maturity (in the amount of \$135,000), a portion of the February 1, 2026 maturity (in the amount of \$140,000), and a portion of the February 1, 2027 maturity (in the amount of \$140,000) totaling \$545,000 in principal amount, and with the following CUSIP numbers (collectively, the “Defeased Bonds”):

Year of Maturity	Amount	<u>Original CUSIP</u>	<u>Defeased Amount</u>	<u>New CUSIP for Defeased Portion</u>	<u>Un defeased Amount</u>	<u>New CUSIP for Un defeased Amount</u>
2024	\$130,000	751622 PF2	<u>\$130,000</u>	<u>751622 YB1</u>	<u>\$1,185,000</u>	<u>751622 PF2</u>
2025	\$135,000	751622 PG0	<u>\$135,000</u>	<u>751622 YC9</u>	<u>\$1,235,000</u>	<u>751622 PG0</u>
2026	\$140,000	751622 PH8	<u>\$140,000</u>	<u>751622 YD7</u>	<u>\$1,230,000</u>	<u>751622 YH8</u>
2027	\$140,000	751622 PJ4	<u>\$140,000</u>	<u>751622 YE5</u>	<u>\$1,290,000</u>	<u>751622 YJ4</u>

that U.S. Government Securities have been deposited with U.S. Bank Trust Company, National Association (the “Escrow Agent”), in an amount sufficient to defease the Defeased Bonds. Principal of and interest due on the Defeased Bonds prior to February 1, 2025 will be paid by the Escrow Account. Any outstanding Defeased Bonds will be redeemed and prepaid in full on February 1, 2025.

Dated: November 14, 2023

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent

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Moved cell	
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Padding cell	

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