

ESCROW AGREEMENT (2012 BONDS)

THIS ESCROW AGREEMENT (2012 BONDS), dated as of December 1, 2020 (the “**Agreement**”), by and between the City of Salinas (the “**City**”) and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “**Escrow Agent**”) and as 2012 Trustee (as such term is defined herein), is entered into in accordance with a resolution of the City adopted on December 1, 2020, and an Indenture of Trust, dated as of February 1, 2012 (the “**2012 Indenture**”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**2012 Trustee**”). This Agreement is entered into to refund all of the outstanding City of Salinas Sanitary Sewer System Revenue Bonds, Series 2012 (the “**2012 Bonds**”).

RECITALS

A. Pursuant to the 2012 Indenture, the City has previously issued the 2012 Bonds to in the initial aggregate principal amount of \$17,995,000, of which \$14,645,000 is currently outstanding.

B. The 2012 Bonds are payable from net revenues of the City’s municipal wastewater system.

C. The City has determined to issue its City of Salinas Wastewater Revenue Refunding Bonds, Series 2020A (Federally Taxable) (the “**2020 Bonds**”), a portion of the proceeds of which, together with other moneys as described in Section 1, will be applied to pay: (i) the principal of and interest on the outstanding 2012 Bonds maturing on and prior to August 1, 2022 (the “**Redemption Date**”); and (ii) on the Redemption Date, the principal of the outstanding 2012 Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium.

D. The City will irrevocably deposit moneys with the Escrow Agent, which moneys will be used to purchase the securities that are described on Schedule A (the “**Federal Securities**”) (as permitted by, in the manner prescribed by and all in accordance with the 2012 Indenture). Such Federal Securities satisfy the criteria set forth in Section 10.3 of the 2012 Indenture, and the principal of and interest on such Federal Securities when paid will provide money which will be fully sufficient to pay and discharge the 2012 Bonds.

AGREEMENT

SECTION 1. Deposit of Moneys. The City will cause The Bank of New York Mellon Trust Company, N.A., as trustee for the 2020 Bonds, to transfer a portion of the proceeds of the 2020 Bonds in the amount of \$_____ on the date of issuance of the 2020 Bonds to the Escrow Agent for deposit in the Escrow Fund established hereunder. The City also hereby directs the 2012 Trustee to transfer \$_____ held in funds and accounts relating to the 2012 Bonds to the Escrow Agent for deposit in the Escrow Fund.

The Escrow Agent will hold such amounts in an irrevocable escrow separate and apart from other moneys of the City and the Escrow Agent in a fund hereby created and established to be known as the “**Escrow Fund**” and to be applied solely as provided in this Agreement. The City represents that the sum of the amounts set forth above are at least equal to an amount that is sufficient to purchase the Federal Securities listed on Schedule A, and to hold \$___ uninvested as cash.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest such moneys in the Federal Securities listed on Schedule A and to deposit such Federal Securities in the Escrow Fund. The Escrow Agent shall be entitled to rely upon the conclusion of Causey Demgen & Moore P.C., Denver, Colorado (the “**Verification Agent**”) that the Federal Securities listed on Schedule A mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay: (i) the principal of and interest on the outstanding 2012 Bonds maturing on and prior to the Redemption Date; and (ii) on the Redemption Date, the principal of the outstanding 2012 Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the City, together with an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, to the effect that reinvestment is permitted under the legal documents in effect with respect to the 2012 Bonds and will not have an adverse effect on the tax status of the 2012 Bonds, the Escrow Agent shall reinvest any other amount of principal and interest, or any portion thereof, received from the Federal Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable Federal Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, at the written direction of the City, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay: (i) the principal of and interest on the outstanding 2012 Bonds maturing on and prior to the Redemption Date; and (ii) on the Redemption Date, the principal of the outstanding 2012 Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section which are not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the City with respect to the refunding of the 2012 Bonds or in any other report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, shall be paid to the City promptly upon the receipt of such interest income by the Escrow Agent. The determination of the City as to whether an accountant qualifies under this Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the City, and subject to the conditions and limitations that are set forth herein and applicable governmental rules and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of the Federal Securities, provided that there are substituted therefor from the proceeds of the Federal Securities other Federal Securities, but only after the Authority or the City has obtained and delivered to the Escrow Agent: (i) an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the 2012 Bonds and will not have an adverse effect on the tax status of the 2012 Bonds; and (ii) a report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay: (1) the principal of and interest on the outstanding 2012 Bonds maturing on and prior to the Redemption Date; and (2) on the Redemption Date, the principal of the outstanding 2012 Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium. The Escrow Agent

shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of 2012 Bonds.

(a) Payment. From the maturing principal of the Federal Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Agent shall transfer funds to the 2012 Trustee in an amount sufficient to enable the 2012 Trustee to pay: (i) the principal of and interest on the outstanding 2012 Bonds maturing on and prior to the Redemption Date; and (ii) on the Redemption Date, the principal of the outstanding 2012 Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium, all as indicated on Schedule A.

(b) Irrevocable Instructions to Provide Notice. The notices required to be mailed pursuant to Sections 4.3 and Article X of the 2012 Indenture are substantially in the forms attached hereto as Exhibits A and B. The City hereby irrevocably instructs the 2012 Trustee to mail: (i) a notice of redemption of the 2012 Bonds maturing after the Redemption Date substantially in the form attached hereto as Exhibit A at least 30 days prior to the Redemption Date to the parties described in and otherwise in accordance with Section 4.3 of the 2012 Indenture (including The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/>); and (ii) a notice of defeasance of the 2012 Bonds substantially in the form attached hereto as Exhibit B on the date of issuance of the 2020 Bonds to the parties described in and otherwise in accordance with Section 10.1 of the 2012 Indenture (including The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/>), as required to provide for the payment and redemption of the 2012 Bonds in accordance with this Section.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed after the Redemption Date shall be repaid by the Escrow Agent to the City.

(d) Priority of Payments. The owners of the 2012 Bonds shall have a first and exclusive lien on all moneys and securities in the Escrow Fund until such moneys and such securities are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the 2012 Indenture, upon the deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1 and the purchase of the Federal Securities as provided in Section 2: (i) the 2012 Indenture and the pledge of Pledged Revenues and other assets made thereunder and all covenants, agreements and other obligations of the City thereunder will cease, terminate, become void and be completely discharged and satisfied; and (ii) all liability of the City in respect of the 2012 Bonds will cease, terminate and be completely discharged, and the owners thereof will thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of the 2012 Indenture.

SECTION 6. Application of Certain Terms of the 2012 Indenture. All of the terms of the 2012 Indenture relating to the making of payments of principal of and interest on the 2012 Bonds and relating to the exchange or transfer of the 2012 Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Section 8.1 of the 2012 Indenture relating to the

resignation and removal and merger of the 2012 Trustee are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 7. Performance of Duties. The Escrow Agent agrees to perform only the duties that are set forth herein and shall have no responsibility to take any action or omit to take any action that is not set forth herein.

SECTION 8. Escrow Agent's Authority to Make Investments. Except as provided in Section 2 hereof, the Escrow Agent shall have no power or duty to invest any funds that are held hereunder or to sell, transfer or otherwise dispose of the moneys or Federal Securities that are held hereunder.

SECTION 9. Indemnity. The City 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 Escrow Agent and its respective successors, assigns, directors, officers, 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 Escrow Agent at any time (whether or not also indemnified against the same by the City 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 retention of the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the City shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective employees. In no event shall the City or the Escrow Agent be liable to any person by reason of the transactions that are contemplated hereby other than to each other as set forth in this Section. The indemnities that are contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

SECTION 10. Responsibilities of Escrow Agent. The Escrow Agent and its 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 securities deposited therein, the retention of the Federal Securities or the proceeds thereof, the sufficiency of the Federal Securities to pay the 2012 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent 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 Escrow Agent that is made in good faith in the conduct of its duties. The recitals of fact that are contained herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2012 Bonds or to the validity of this Agreement as to the City and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City, 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 Agent 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 may be deemed to be conclusively established by a certificate signed by an officer of the City. The Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Agreement.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Agreement and delivered using Electronic Means (“**Electronic Means**” shall 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 Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Escrow Agent 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 City whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent Instructions using Electronic Means 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 City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the City 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 City. 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 the fact that such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (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 Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall furnish the City with periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the City, provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of \$0.00; and (b) has not had any activity since the last reporting date. Upon the City’s election, such statements will be delivered via the Escrow Agent’s online service

and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 11. Amendments. This Agreement is made for the benefit of the City and the owners from time to time of the 2012 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2012 Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the 2012 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, 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 owners of the various 2012 Bonds or that any instrument that is executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Notice to Rating Agencies. In the event that this agreement or any provision thereof is severed, amended or revoked, the Escrow Agent, upon written instructions from the City, shall provide written notice in the form provided by the City of such severance, amendment or revocation to the rating agencies then rating the 2012 Bonds.

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2012 Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Agreement. Funds remaining in the Escrow Fund after payment in full of the 2012 Bonds shall be transferred to the City.

SECTION 14. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the City, and any other reasonable fees and expenses of the Escrow Agent; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services that are rendered or expenses incurred by the Escrow Agent under this Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent 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, shall be deemed separate from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Agreement.

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. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 19. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the City.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, 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 the Escrow Agent is 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 without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

SECTION 21. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds thereof and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the City in writing of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 22. Notices. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent at 100 Pine Street, Suite 3200, San Francisco, California 94111, Attention: Corporate Trust, Reference: City of Salinas 2012 Wastewater Bonds. Any notice to or demand upon the City shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or other electronic transmission, overnight mail or courier or mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the City at 200 Lincoln Avenue, Salinas, California 93901 (or such other address as may have been filed in writing by the City with the Escrow Agent).

[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.

CITY OF SALINAS

By: _____
City Manager

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Escrow Agent and 2012 Trustee

By: _____
Authorized Officer

SCHEDULE A
FEDERAL SECURITIES

Moneys deposited in the Escrow Fund shall be invested as follows:

<i>Security</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
[]	February 1, 2021	\$	%
	August 1, 2021		
	February 1, 2022		
	August 1, 2022		

The escrow requirements for the 2012 Bonds are as follows:

<u><i>Period Ending</i></u>	<u><i>Principal Paid</i></u>	<u><i>Principal Redeemed</i></u>	<u><i>Interest</i></u>	<u><i>Total</i></u>
February 1, 2021	\$[]	\$	\$	\$
August 1, 2021				
February 1, 2022				
August 1, 2022				

EXHIBIT A

NOTICE OF FULL OPTIONAL REDEMPTION

CITY OF SALINAS SANITARY SEWER SYSTEM REVENUE BONDS, SERIES 2012

BASE CUSIP 794894

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2012 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of February 1, 2012 (the “2012 Indenture”), by and between City of Salinas (the “City”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2012 Trustee”), that 2012 Bonds in the amount of \$13,765,000 have been called for redemption on August 1, 2022 (the “Redemption Date”). The 2012 Bonds were originally executed and delivered on February 22, 2012 and are described in the following table.

<u>CUSIP</u>	<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>
BF1	2023	\$ 470,000	3.000%	100%
BG9	2024	480,000	3.000	100
BH7	2025	495,000	4.000	100
BJ3	2026	520,000	4.000	100
BK0	2027	290,000	4.000	100
BS3	2027	250,000	5.000	100
BL8	2028	560,000	4.000	100
BM6	2029	585,000	3.625	100
BN4	2030	605,000	3.750	100
BP9	2032	1,285,000	4.000	100
BQ7	2035	2,120,000	4.125	100
BR5	2042	6,105,000	4.250	100

The 2012 Bonds will be payable on the Redemption Date at a Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to such date (the “Redemption Price”). The Redemption Price of the 2012 Bonds will become due and payable on the Redemption Date. Interest with respect to the 2012 Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2012 Bonds will be surrendered to the 2012 Trustee.

To receive payment on the Redemption Date, owners of the 2012 Bonds should present and to surrender said 2012 Bonds on the Redemption Date at the address of the 2012 Trustee set forth below:

<u>First Class/Registered/Certified</u>	<u>Express Delivery Only</u>	<u>By Hand Only</u>
The Bank of New York Mellon Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, New York 10286

Additional information regarding the foregoing actions may be obtained from The Bank of New York Mellon Trust Company, N.A., Corporate Trust Department, Bondholder Relations, telephone number (800) 254-2826.

A form W-9 must be submitted with the 2012 Bonds. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if the tax identification number is not properly certified.

If the owner of any 2012 Bond fails to deliver such 2012 Bond to the 2012 Trustee on the Redemption Date, such 2012 Bond shall nevertheless be deemed prepaid on the Redemption Date and the owner of such 2012 Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2012 Trustee for such payment.

Note: The City and the 2012 Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any 2012 Bond. They are included solely for the convenience of the holders.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as 2012 Trustee

July 1, 2022

EXHIBIT B

NOTICE OF DEFEASANCE

CITY OF SALINAS
SANITARY SEWER SYSTEM REVENUE BONDS, SERIES 2012

BASE CUSIP 794894

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the “2012 Bonds”), which were issued pursuant to the Indenture of Trust, dated as of February 1, 2012 (the “2012 Indenture”), by and between the City of Salinas (the “City”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2012 Trustee”), that the City has caused to be deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”), cash and federal securities, the principal of and interest on which when paid will provide an amount sufficient to pay: (i) the principal of and interest on the outstanding 2012 Bonds maturing on and prior to August 1, 2022 (the “Redemption Date”); and (ii) on the Redemption Date, the principal of the outstanding 2012 Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium. The 2012 Bonds were originally executed and delivered on February 22, 2012 and are described in the following table.

<u>CUSIP</u>	<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
BD6	2021	\$ 430,000	4.000%
BE4	2022	450,000	4.000
BF1	2023	470,000	3.000
BG9	2024	480,000	3.000
BH7	2025	495,000	4.000
BJ3	2026	520,000	4.000
BK0	2027	290,000	4.000
BS3	2027	250,000	5.000
BL8	2028	560,000	4.000
BM6	2029	585,000	3.625
BN4	2030	605,000	3.750
BP9	2032	1,285,000	4.000
BQ7	2035	2,120,000	4.125
BR5	2042	6,105,000	4.250

In accordance with the 2012 Indenture: (i) the 2012 Indenture and the pledge of Pledged Revenues and other assets made thereunder and all covenants, agreements and other obligations of the City thereunder have ceased, terminate, become void and been completely discharged and satisfied; and (ii) all liability of the City in respect of the 2012 Bonds has ceased, terminated and been completely discharged, and the owners thereof are hereafter entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of the 2012 Indenture; and (iv) all obligations of the City under the Continuing Disclosure Certificate of the City, dated February 22, 2012, relating to the 2012 Bonds, have been terminated as of the date hereof.

No representation is made as to the correctness of the CUSIP number either as printed on any 2012 Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for prepayment of the 2012 Bonds.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as 2012 Trustee

December __, 2020