

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT is dated as of June 1, 2025, by and among the CITY OF BEAUMONT (the “City”), the BEAUMONT PUBLIC IMPROVEMENT AUTHORITY (the “Authority”), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, acting in its capacity as Escrow Bank (the “Escrow Bank”) pursuant to this Escrow Agreement (the “Agreement”).

### WITNESSETH:

WHEREAS, the Authority issued its Wastewater Revenue Bonds, Series 2018A (the “2018 Bonds”), pursuant to an Indenture of Trust (the “2018 Indenture”), dated as of September 1, 2018, by and between the Authority and Wilmington Trust, National Association, then acting as trustee (the “Prior Trustee”); and

WHEREAS, the City previously entered into an Installment Purchase Agreement dated as of September 1, 2018, by and between the City and the Authority, for the purpose of securing the payments of principal of and interest on the 2018 Bonds; and

WHEREAS, the City and the Authority have now determined that it is in its best interests and desirable that the outstanding 2018 Bonds (collectively, the “Defeased Bonds”), as more particularly described in Schedule A hereto, be defeased pursuant to the terms of this Escrow Agreement and be redeemed on \_\_\_\_\_, 2025 at a redemption price equal to the principal amount thereof plus accrued interest to such date, without premium; and

WHEREAS, the City will provide funds necessary to defease the Defeased Bonds from a portion of the proceeds received by the City in connection with the issuance by the Authority of its Wastewater Revenue Refunding Bonds, Series 2025A (the “2025 Bonds”), as described herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City, the Authority and the Escrow Bank agree as follows.

### SECTION 1. Creation of Escrow.

(a) The Escrow Bank agrees to establish and maintain the Escrow Fund until final payment of the Defeased Bonds has been paid in full and to hold the securities, investments and moneys therein at all times as a special and separate escrow fund (wholly segregated from all other moneys on deposit with the Escrow Bank). The City shall deposit with the Escrow Bank: (i) \$\_\_\_\_\_ of proceeds received in connection with the 2025 Bonds, and (ii) \$\_\_\_\_\_ transferred by the City, and such moneys shall be deposited to the Escrow Fund. The Escrow Bank shall purchase Investment Securities as described in Schedule B at a cost of \$\_\_\_\_\_ and shall hold \$\_\_\_\_\_ in cash. All moneys and securities in the Escrow Fund are hereby irrevocably pledged to secure the payment of the Defeased Bonds.

(b) The Escrow Bank hereby acknowledges receipt of the verification report of Causey Public Finance LLC, dated June \_\_\_\_, 2025 (the “Verification Report”) with respect to the Investment Securities and the City’s defeasance of the Defeased Bonds in the manner and to the extent provided by law and in Section 10.01 of the 2018 Indenture.

SECTION 2. Investment of the Escrow Fund.

(a) The City and the Escrow Bank each shall take all remaining action, if any, necessary to have the Investment Securities issued and registered in the name of the Escrow Bank for the account of the Escrow Fund. Except as otherwise provided in this Section, the Escrow Bank shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested.

(b) Upon the written direction of the City, but subject to the conditions and limitations herein set forth, the Escrow Bank shall sell, transfer, request the redemption or otherwise dispose of some or all of the Investment Securities in the Escrow Fund and purchase with the proceeds derived from such sale, transfer, redemption or other disposition noncallable, non prepayable obligations constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America (the "Substitute Investment Securities"). Such sale, transfer, redemption or other disposition of Investment Securities and purchase of Substitute Investment Securities shall be effected by the Escrow Bank upon the written direction of the City but only by a simultaneous transaction and only if (i) a nationally recognized firm of independent certified public accountants shall certify to the City, the Escrow Bank and [INSURER], as insurer of the Defeased Bonds ("the Insurer") that (a) the Substitute Investment Securities, together with the Investment Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Investment Securities and Substitute Investment Securities held in the Escrow Fund, together with any uninvested moneys therein, to make all payments required by Section 3 hereof which have not previously been made, and (b) the amounts and dates of the anticipated payments by the Escrow Bank of the principal and interest on the Defeased Bonds will not be diminished or postponed thereby, and (ii) the Escrow Bank shall receive an unqualified opinion of nationally recognized municipal bond attorneys to the effect that the proposed sale, transfer, redemption or other disposition and substitution of Investment Securities will not adversely affect the exclusion of interest on the 2025 Bonds or the Defeased Bonds from gross income for federal income tax purposes.

(c) Upon the written direction of the City, but subject to the conditions and limitations herein set forth, the Escrow Bank will apply any moneys received from the maturing principal of or interest or other investment income on any Investment Securities and Substitute Investment Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Investment Securities pursuant to Section 2(b) not required for the purposes of said Section, as follows: to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 3 hereof, as certified by a nationally recognized firm of independent certified public accountants, such moneys shall be transferred to the City upon the written direction of the City as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Defeased Bonds or otherwise existing hereunder or under the 2018 Indenture.

SECTION 3. Payment of the Defeased Bonds. The City hereby irrevocably instructs the Escrow Bank, and the Escrow Bank hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on the Investment Securities and Substitute Investment Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and, subject to the provisions of Section 2 hereof, to make the payment of the Defeased Bonds from amounts on deposit in the Escrow Fund at the places and in the manner stipulated in the Defeased Bonds and the

2018 Indenture. The Trustee is hereby irrevocably instructed to provide a Notice of Optional Redemption to the owners of the Defeased Bonds pursuant to Section 4.03 of the 2018 Indenture with respect to the redemption of the then outstanding Defeased Bonds on \_\_\_\_\_, 2025. The City hereby irrevocably instructs the Escrow Bank to provide the Notice of Defeasance in substantially the form set forth in Schedule C hereto. In accordance with Sections 4.01 and 10.01 of the 2018 Indenture, the Escrow Bank is irrevocably instructed to pay the principal and interest due on the Defeased Bonds on \_\_\_\_\_, 2025 and to redeem the then outstanding Defeased Bonds on \_\_\_\_\_, 2025 at a redemption price equal to the principal amount thereof, together with accrued interest thereon, without premium. Upon payment in full of the Defeased Bonds, the Escrow Bank shall transfer any securities and moneys remaining in the Escrow Fund to the City and this Agreement shall terminate. The Escrow Fund cash flow is set forth in Schedule D attached hereto.

SECTION 4. Possible Deficiencies; Amounts in Excess of Required Cash Balance.

(a) If at any time the Escrow Bank has actual knowledge that the moneys in the Escrow Fund, including the anticipated proceeds of the Investment Securities and any Substitute Investment Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Bank shall notify the City in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and the reason therefor solely to the extent actually known to it.

(b) The Escrow Bank shall in no manner be responsible for any deficiency in the Escrow Fund.

SECTION 5. Fees and Costs.

(a) The City shall pay to the Escrow Bank from time to time reasonable compensation for all services rendered under this Agreement and shall reimburse the Escrow Bank for all out of pocket expenses (including reasonable legal fees and expenses) incurred hereunder.

(b) The fees of and the costs incurred by the Escrow Bank shall in no event be deducted or payable from, or constitute a lien against, the Escrow Fund.

SECTION 6. Merger or Consolidation. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Agreement, shall be the successor to such Escrow Bank without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

SECTION 7. Indemnity. To the maximum extent permitted by law, 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 Bank 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 Escrow Bank 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 purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the City shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective successors, assigns, agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the City or the Escrow Bank 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 and the resignation or removal of the Escrow Bank.

**SECTION 8. Responsibilities of the Escrow Bank.** The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the purchase of the Investment Securities and any Substitute Investment Securities, the retention of the Investment Securities and any Substitute Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Defeased Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank 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 Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the Investment Securities and any Substitute Investment Securities to accomplish the defeasance of the Defeased Bonds or to the validity of this Agreement as to the City and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank 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 Escrow Bank shall be determined by the express provisions of this Agreement and no implied covenants or obligations shall be read against the Escrow Bank hereunder. The Escrow Bank 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 with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. No provisions of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability by the performance or exercise of its rights or powers. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City.

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

Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Bank shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Escrow Bank and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Bank in its discretion elects to act upon such instructions, the Escrow Bank’s understanding of such instructions shall be deemed controlling. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 9. Amendments. This Agreement is made for the benefit of the City, the Authority and the owners from time to time of the Defeased Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank, the Insurer and the City; provided, however, that if the City and the Escrow Bank receive an opinion of nationally recognized bond attorneys to the effect that the exclusion from gross income for federal income tax purposes of the interest on the 2018 Bonds and the 2025 Bonds will not be adversely affected thereby, they may, without the consent of, or notice to, such owners, but with the consent of the Insurer, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, 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 Bank for the benefit of the owners of the Defeased Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; (iii) to include under this Agreement additional funds, securities or properties (but only if the sufficiency of the Escrow Fund for the purpose herein set forth is verified by a nationally recognized firm of independent certified public accountants) and shall hold funds received by it uninvested. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 9, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Defeased Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 9.

SECTION 10. Resignation or Removal of Escrow Bank.

(a) The Escrow Bank may resign by giving not less than 30 days' notice in writing to the City, which notice shall be mailed to the owners of the Defeased Bonds remaining unpaid. The Escrow Bank may be removed upon 30 days' prior written notice (1) by (i) filing with the City of an instrument or instruments executed by the owners of at least [51%] in aggregate principal amount of the Defeased Bonds then remaining unpaid, and (ii) the delivery of a copy of the instruments filed with the City to the Escrow Bank, or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the City or the owners of [5%] in aggregate principal amount of the Defeased Bonds then remaining unpaid.

(b) If the position of Escrow Bank becomes vacant due to resignation or removal of the Escrow Bank or any other reason, a successor Escrow Bank may be appointed by the City. Notice of such appointment shall be mailed by first class mail, postage prepaid, to the registered owners of the Defeased Bonds. Within one year after a vacancy, the owners of a majority in principal amount of the Defeased Bonds then remaining unpaid may, by an instrument or instruments filed with the City, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore appointed by the City. If no successor Escrow Bank is appointed by the City or the owners of such Defeased Bonds then remaining unpaid, within 45 days after any such resignation or removal, the Escrow Bank may petition the appropriate court having jurisdiction for the appointment of a successor Escrow Bank. The responsibilities of the Escrow Bank under this Escrow Agreement will not be discharged until a new Escrow Bank is appointed and until the cash and investments held under this Escrow Agreement are transferred to the new Escrow Bank.

SECTION 11. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

SECTION 12. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 14. Definitions. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning assigned to such term in the Prior Trust Agreement and the Indenture.

SECTION 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the City provided, however, that an assignment made pursuant to Section 6 hereof shall not require prior written consent.

SECTION 16. 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 which the corporate trust office of the Escrow Bank is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day 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.

*[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 day and year first above written.

CITY OF BEAUMONT

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

BEAUMONT PUBLIC IMPROVEMENT  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

*[SIGNATURE PAGE TO ESCROW AGREEMENT]*

ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION, as Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE A**

**DEFEASED BONDS**

<i>Maturity (September 1)</i>	<i>Interest Rate</i>	<i>Principal Amount</i>
	%	\$

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\* Term Bond.

**SCHEDULE B**

**INVESTMENT SECURITIES**

**United States Treasury Time Deposit Securities, State and Local Government Series**

<i>Type</i>	<i>Coupon</i>	<i>Maturity Date</i>	<i>Par Amount</i>	<i>Price</i>	<i>Settlement Date</i>
_____	_____%	_____, 20__	\$_____	_____%	_____, 20__

**SCHEDULE C**

**IRREVOCABLE INSTRUCTIONS AND REQUEST  
TO TRUSTEE AND ESCROW BANK**

\_\_\_\_\_, 2025

Zions Bancorporation, National Association  
550 South Hope Street, Suite 2875  
Los Angeles, California 90071  
Attention: \_\_\_\_\_

\$ \_\_\_\_\_  
**BEAUMONT PUBLIC IMPROVEMENT AUTHORITY  
WASTEWATER REVENUE BONDS, SERIES 2018A**

Ladies and Gentlemen:

As Trustee under that certain Indenture of Trust, dated as of September 1, 2018, by and between the Beaumont Public Improvement Authority (the “Authority”) and Wilmington Trust, National Association, as prior trustee, and thereafter succeeded by Zions Bancorporation, National Association, as successor trustee (the “Indenture”), you are hereby notified of the irrevocable election of the City of Beaumont (the “City”) to defease the outstanding above-captioned Bonds (the “Redeemed Bonds”) in accordance with Section 10.01 of the Indenture and to redeem the then outstanding Redeemed Bonds on \_\_\_\_\_, 2025. You are hereby irrevocably instructed to mail a notice of redemption to the owners of the Redeemed Bonds, in accordance with Section 4.03 of the Indenture, and a notice of defeasance substantially in the form attached as Exhibit A hereto. You are further irrevocably instructed to apply all securities and moneys held in the escrow fund established under that certain Escrow Agreement dated as of June 1, 2025, by and among the Authority, the City and Zions Bancorporation, National Association, as Escrow Bank to pay the principal and interest due on the Redeemed Bonds on \_\_\_\_\_, 2025 and to pay the redemption price of the then outstanding Redeemed Bonds on \_\_\_\_\_, 2025.

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BEAUMONT PUBLIC IMPROVEMENT  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

CITY OF BEAUMONT

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

ZIONS BANCORPORATION,  
NATIONAL ASSOCIATION,  
as Successor Trustee and Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE OF DEFEASANCE OF  
\$ \_\_\_\_\_  
BEAUMONT PUBLIC IMPROVEMENT AUTHORITY  
WASTEWATER REVENUE BONDS, SERIES 2018A**

<i>CUSIP*</i>	<i>Bond No.</i>	<i>Maturity (September 1)</i>	<i>Interest Rate</i>	<i>Principal Amount Redeemed</i>	<i>Redemption Price</i>
			%	\$	

Notice is hereby given to the holders of the outstanding above-captioned Bonds (the “Bonds”) set forth above that (i) the Bonds described above (the “Defeased Bonds”) have been called for redemption on \_\_\_\_\_, 2025 and have been defeased as permitted by the Indenture of Trust dated as of September 1, 2018 (the “Indenture”), by and between the Beaumont Public Improvement Authority (the “Authority”) and Wilmington Trust, National Association, as prior trustee (the “Prior Trustee”), and thereafter succeeded by Zions Bancorporation, National Association, as successor trustee (the “Trustee”); (ii) there has been deposited with Zions Bancorporation, National Association, as escrow bank (the “Escrow Bank”), cash and investment securities which have been calculated by an independent certified public accounting firm to be sufficient to pay the principal and interest due on the Defeased Bonds on \_\_\_\_\_, 2025 and to pay the redemption price of the then outstanding Defeased Bonds on \_\_\_\_\_, 2025; and (iii) all of the Defeased Bonds have been deemed paid in accordance with Section 10.01 of the Indenture, and the Defeased Bonds have been completely discharged and satisfied.

The CUSIP numbers assigned to the Defeased Bonds are provided solely for the convenience of the holders of the Defeased Bonds.

Dated this \_\_\_th day of \_\_\_\_\_, 2025.

**ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION, as Successor Trustee**

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*\* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by Factset Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Authority, or the Underwriter take any responsibility for the accuracy of such numbers.*

**SCHEDULE D**

**ESCROW FUND CASH FLOW**

[TO COME]