

Washoe County, Nevada
General Obligation (Limited Tax)
Refunding Bonds (Additionally Secured by Pledged Revenues)
Series 2019B

ESCROW AGREEMENT

DATED as of _____, 2019, made by and between **WASHOE COUNTY, NEVADA** (the "County"), a political subdivision duly organized and created under the laws of the State of Nevada (the "State"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association having and exercising full and complete trust powers, duly organized and existing under the laws of the United States of America, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

(1) **WHEREAS**, the County is duly organized and existing under the laws of the State and its officers from time to time have been duly chosen and qualified; and

(2) **WHEREAS**, pursuant to proceedings duly taken, the County has heretofore issued its Washoe County, Nevada, General Obligation (Limited Tax) Park Bonds (Additionally Secured by Pledged Revenues), Series 2006 (the "2006 Bonds"); and

(3) **WHEREAS**, the 2006 Bonds maturing on March 1 ____ through March 1, _____, inclusive, in the aggregate principal amount of \$_____ (the "2006 Refunded Bonds") are subject to redemption prior to their respective maturities on and after March 1, 2017, in whole and in part at any time from such maturities as are selected by the County and by lot within a maturity at a price equal to the principal amount of each 2006 Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date; and

(2) **WHEREAS**, pursuant to proceedings duly taken, the County has heretofore issued its Washoe County, Nevada, General Obligation (Limited Tax) Building Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2011B (the "2011 Bonds"); and

(3) **WHEREAS**, the outstanding installments of principal of the 2011 Bonds payable November 1, ____ through November 1, _____, inclusive, in the aggregate principal amount of \$_____ (the "2011 Refunded Bonds" and together with the 2006 Refunded Bonds, the "Refunded Bonds"), are subject to redemption prior to maturity on and after November 1, 2019, at a price equal to 100% of the principal amount of each Refunded Bond so redeemed, accrued interest thereon to the redemption date, plus a redemption premium equal to 2% of the principal amount of each installment of principal so redeemed; and

(4) **WHEREAS**, proposals were submitted for the purchase of the County's "Washoe County, Nevada, General Obligation (Limited Tax) Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2019B" (the "2019 Bonds"), to be issued, in part, for the purpose of paying, together with other available moneys, the principal of and interest on and any redemption premiums due (the "Refunded Bond Requirements") in connection with the Refunded Bonds as the same becomes due through and including their prior redemption date, as set forth in the certified public accountant's report attached as Exhibit 1 to this Escrow Agreement (the "Agreement") and paying costs incidental thereto; and

(5) **WHEREAS**, the 2019 Bonds were authorized to be issued by an ordinance designated in Section 101 thereof as the "2019B Refunding Bond Ordinance" adopted by the Board of County Commissioners of the County (the "Governing Body") on July 9, 2019 (the "2019 Bond Ordinance"); and

(6) **WHEREAS**, the 2019 Bonds were sold to the purchaser (the "Purchaser") subject to the approving opinion of the County's bond counsel, Sherman & Howard L.L.C. ("bond counsel"); and

(7) **WHEREAS**, the County, by the 2019 Bond Ordinance, together with the Certificate of the Assistant County Manager (as defined in the 2019 Bond Ordinance), among other matters:

- A. Formally accepted the Purchaser's bid;
- B. Created the Escrow Account (as defined below) to be maintained in U.S. Bank National Association (the "Escrow Bank");
- C. Provided for the deposit in the Escrow Account of a portion of the net proceeds of the 2019 Bonds and any other moneys in an aggregate amount fully sufficient, together with the known minimum yield from the investment of such moneys in bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States, which obligations are not callable at the option of the issuer thereof ("Federal Securities"), to pay the Refunded Bond Requirements, as set forth herein (in no circumstances shall the term "Federal Securities" include money market investments even if the money market fund in which the investment is made invests only in Federal Securities);

D. Provided for the purchase of Federal Securities with such moneys credited to the Escrow Account;

E. Provided for the call for prior redemption of the 2006 Refunded Bonds on August 15, 2019 and the 2011 Refunded Bonds on November 1, 2019; and

F. Authorized the completion and execution of this Agreement;
and

(8) **WHEREAS**, a copy of the 2019 Bond Ordinance has been delivered to the Escrow Bank and the provisions therein set forth are herein incorporated by reference as if set forth herein verbatim in full; and

(9) **WHEREAS**, the Federal Securities described in Exhibit 1 to this Agreement have appropriate maturities and yields to insure the payment, together with the initial cash (as defined below), of the Refunded Bond Requirements, as the same becomes due; and

(10) **WHEREAS**, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the certified public accountant's report attached as Exhibit 1 to this Agreement, demonstrate the sufficiency of the Federal Securities and initial cash for such purpose; and

(11) **WHEREAS**, the Escrow Bank is empowered to undertake the obligations and commitments on its part herein set forth; and

(12) **WHEREAS**, the undersigned officer of the Escrow Bank is duly authorized to execute and deliver this Agreement in the Escrow Bank's name and on its behalf; and

(13) **WHEREAS**, the County is empowered to undertake the obligations and commitments on its part herein set forth; and

(14) **WHEREAS**, the undersigned officer of the County is duly authorized to execute and deliver this Agreement in the County's name and on its behalf.

NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH:

That in consideration of the mutual agreements herein contained herein, and in order to secure the payment of the Refunded Bond Requirements, as the same become due, the parties hereto mutually undertake, promise, and agree for themselves, their respective representatives, successors, and assigns, as follows:

Section 1. Creation of Escrow.

A. Simultaneously with the delivery of the 2019 Bonds, and subject to their issuance, the County shall cause to be deposited with the Escrow Bank \$_____ of the 2019 Bond proceeds and \$_____ from the funds on deposit in the bond funds established for the Refunded Bonds. With the amount deposited, the Escrow Bank is directed to and shall purchase (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Agreement in the amount of \$_____ (the "Initial Federal Securities") and shall cause the Initial Federal Securities and an initial cash balance of \$_____ (the "initial cash," which shall be held uninvested) to be credited to and accounted for in a separate trust account designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Refunding Bonds, Series 2019B, Escrow Account" (the "Escrow Account"). Receipt of \$_____ by the Escrow Bank to be applied as provided herein is hereby acknowledged.

B. Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of issuance of the 2019 Bonds or if such substitution is required or permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the applicable regulations thereunder, subject in any case to sufficiency demonstrations in a certified public accountant's report, and subject to a favorable opinion of the County's bond counsel as to the legality of any such substitution, and the continued exemption of interest on the 2019 Bonds from federal income taxation, and in any event in such a manner so as not to increase the price which the County pays for the initial acquisition of Federal Securities for the Escrow Account. The certified public accountant's report must indicate that the receipts from the substitute securities are sufficient without any need for reinvestment to fully pay the principal of, interest on and any prior redemption premiums due in connection with, the Refunded Bonds. Any Federal Securities temporarily substituted may be withdrawn from the Escrow Account when the Initial Federal Securities are purchased and credited to the Escrow Account. Similarly any temporary advancement of moneys to the Escrow Account to pay designated Refunded Bond Requirements, because of a failure to receive promptly the principal of and interest on any Federal Securities at their respective fixed maturity dates, or otherwise, may be repaid to the person advancing such moneys upon the receipt by the Escrow Bank of such principal and interest payments on such Federal Securities.

C. The initial cash, the proceeds of the Initial Federal Securities (and of any other Federal Securities acquired as an investment or reinvestment of moneys accounted for in the Escrow Account), and any such Federal Securities themselves (other than Federal Securities, including the Initial Federal Securities, held as book entries), shall be deposited with the Escrow Bank and credited to and accounted for in the Escrow Account. The securities and moneys accounted for therein shall be redeemed and paid out to the paying agents for the Refunded Bonds and otherwise administered by the Escrow Bank for the benefit of the County as provided in this Agreement and the 2019 Bond Ordinance.

D. If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a Federal Securities subscription that is to be submitted pursuant to this Section 1, the Escrow Bank shall promptly request alternative written investment instructions from the County with respect to escrowed funds which were to be invested in Federal Securities. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold funds uninvested and without liability for interest until receipt of further written instructions from the County. In the absence of investment instructions from the County's Assistant County Manager (the "Assistant County Manager"), the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Assistant County Manager's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 2. Purpose of Escrow.

A. The Escrow Bank shall hold the initial cash, all Federal Securities accounted for in the Escrow Account (other than Federal Securities, including the Initial Federal Securities, held as book-entries), and all moneys received from time to time as interest on and principal of such Federal Securities, in trust to secure and for the payment of the Refunded Bond Requirements, as the same become due at their respective payment, maturity or redemption dates.

B. Except as provided in paragraph B of Section 1 hereof, the Escrow Bank shall collect the principal of and interest on such Federal Securities promptly as such principal and interest become due and shall transfer to the paying agents for the Refunded Bonds for Refunded Bond

Requirements all money so collected to permit the payment of the Refunded Bond Requirements by the paying agents for the Refunded Bonds as aforesaid.

Section 3. Accounting for Escrow.

A. The moneys and the Federal Securities accounted for in the Escrow Account shall not be subject to checks drawn by the County or otherwise subject to its order except as otherwise provided in paragraph B of Section 1 and in Section 8 hereof.

B. The Escrow Bank, however, shall transfer from time to time from the Escrow Account to the paying agents for the Refunded Bonds for Refunded Bond Requirements, sufficient moneys to permit such paying agents to pay the Refunded Bond Requirements, as the same become due, as provided herein and as directed by the duly authorized officers of the County.

C. Except as otherwise provided in paragraph B of Section 1 of this Agreement, there shall be no sale of any Federal Securities held hereunder, and no Federal Securities held hereunder and callable for prior redemption at the County's option shall be called at any time for prior redemption, except if necessary to avoid a default in the payment of the Refunded Bond Requirements.

Section 4. Maturities of Federal Securities.

A. Any Federal Securities shall be purchased in such manner:

(1) So that such Federal Securities may be redeemed in due season at their respective maturities to meet such Refunded Bond Requirements as the same become due, and

(2) So that any sale or prior redemption of such Federal Securities shall be unnecessary.

B. There shall be no substitution of any Federal Securities except as otherwise provided in paragraph B of Section 1 of this Agreement.

Section 5. Reinvestments. The Escrow Bank may, and at the written direction of the County shall, reinvest in Federal Securities any moneys (except the initial cash) received in payment of the principal of and interest on any Federal Securities accounted for in the Escrow Account, subject to the limitations of Sections 1 and 4 hereof and of the following additional limitations:

A. Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer.

B. Any such Federal Securities shall mature on or prior to the date or dates when the proceeds thereof must be available for the prompt payment of the Refunded Bond Requirements, as the same become due.

C. Under no circumstances shall any reinvestment be made under Section 5 if such reinvestment, alone or in combination with any other investment or reinvestment, violates the applicable provisions of Section 148 of the Tax Code, and the rules and regulations thereunder.

D. The Escrow Bank shall make no such reinvestment under this Section unless the County first obtains and furnishes to the Escrow Bank a written opinion of the County's bond counsel to the effect that such reinvestment, as described in the opinion, complies with paragraph (C) of this Section 5 and a report of a certified public accountant.

Section 6. Sufficiency of Escrow. The moneys and Federal Securities accounted for in the Escrow Account shall be in an amount (or have appropriate maturities and yields to produce an amount) which at all times shall be sufficient to pay the Refunded Bond Requirements as they become due, subject to the provisions of Section 10 hereof.

Section 7. Transfers and Redemption Notices for Refunded Bond Requirements.

A. The Escrow Bank shall transfer to the paying agents for the Refunded Bonds, on the respective payment, maturity or redemption dates, as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the payment by the paying agents of the Refunded Bond Requirements.

B. To the extent the payment of the Refunded Bond Requirements requires the defeasance and/or prior redemption of any Refunded Bonds, the County shall direct notices of such defeasance and redemption to be given by the paying agents for the Refunded Bonds in the manner required by the 2019 Bond Ordinance and by the ordinances authorizing the issuance of the Refunded Bonds.

Section 8. Termination of Escrow Account. When payment or provisions for payment shall have been made with the paying agents for the Refunded Bonds so that all Refunded Bond Requirements shall be or shall have been paid in full and discharged, the Escrow Bank shall immediately pay over to the County the moneys, if any, then remaining in the Escrow Account and shall make forthwith a final report for the County to the Assistant County Manager. Such moneys may be used by the County for any lawful purpose, subject to any limitations in the 2019 Bond

Ordinance. This Agreement may be earlier terminated by either party upon 60 days written notice; provided, however, any early termination of this Agreement by either party shall not be effective until (a) a successor Escrow Bank has been appointed by the County and such appointment accepted, and (b) notice has been given to the holders of the Refunded Bonds of the appointment of a successor Escrow Bank. Furthermore, the Escrow Bank and County agree that the effective date of any early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Refunded Bonds.

Section 9. Fees and Costs.

A. The Escrow Bank's total fees and costs for and in carrying out the provisions of this Agreement have been fixed at \$[500], which is to be paid by the County directly to the Escrow Bank as payment in full of all charges of the Escrow Bank pertaining to this Agreement for services performed hereunder.

B. Such payment for services rendered and to be rendered by the Escrow Bank shall not be for deposit in the Escrow Account; the fees of and the costs incurred by the Escrow Bank shall not be deducted from such account; and the Escrow Bank shall never assert a lien against the monies and securities in the Escrow Account.

Section 10. Possible Deficiencies.

A. If at any time it shall appear to the Escrow Bank that the money and any interest on, and principal, of the Federal Securities in escrow allocable for such use under this Agreement, including, without limitation, the known minimum yield from the Initial Federal Securities, will not be sufficient to make any required payment due on the Refunded Bond Requirements as the same becomes due, the Escrow Bank shall notify in writing the Assistant County Manager as soon as reasonably practicable of such fact and the amount of such deficiency.

B. Thereupon the County shall forthwith pay to the Escrow Bank for deposit in the Escrow Account such additional moneys as may be required.

C. The Escrow Bank shall in no manner be responsible for the County's failure to make any such deposit.

Section 11. Status Report.

A. On November 15, 2019, the Escrow Bank shall submit to the Assistant County Manager a report covering all money which the Escrow Bank shall have received and all payments which it shall have made or caused to be made hereunder.

B. The report shall indicate for which period and in which any Federal Securities (other than Federal Securities held as book-entries) and any uninvested moneys were transferred for safekeeping or any Federal Securities pledged to secure the repayment to the County of any uninvested moneys were placed in pledge, as permitted by Section 13.

Section 12. Character of Deposit.

A. It is recognized that title to the Federal Securities and money accounted for 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 the provisions of this Agreement and the 2019 Bond Ordinance.

B. The Escrow Bank shall hold all such Federal Securities (except as they may be held as book-entries) and money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other securities and funds of the Escrow Bank or deposited therein, and shall never commingle such securities or money with other securities or money.

Section 13. Securing Deposit.

A. The Escrow Bank may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the County for payment, if they are registrable for payment, and in such event shall obtain the necessary endorsements from the duly authorized officials of the County as they become due.

B. The County, in connection with any Federal Securities accounted for in the Escrow Account and held as book-entries, shall cooperate with the Escrow Bank and shall forthwith make arrangements with an appropriate representative of the issuer of such Federal Securities, so that the interest on and the principal of the Federal Securities shall be promptly transmitted, as the same become due from time to time, to the Escrow Bank for the benefit of the County.

C. All uninvested money held at any time in the Escrow Account shall be continuously secured by the deposit of Federal Securities in a principal amount and value always not less than the total amount of uninvested money in the Escrow Account:

- (1) In any branch of the Federal Reserve Bank, or
- (2) In any commercial bank, including the Escrow Bank, which:
 - (a) Is a state or national bank or trust company, and
 - (b) Is a member of the Federal Deposit Insurance Corporation, and
 - (c) Is a member of the Federal Reserve System, and
 - (d) Has a capital and surplus of \$10,000,000.00 or more, and
 - (e) Is exercising full and complete trust powers, and
 - (f) Is located in the State or without the State ("trust bank"), or
- (3) In any branch of the Federal Reserve Bank and in one or more trust

banks (or any combination thereof).

D. Such Federal Securities referenced in paragraph C above, so held as a pledge shall be used whenever necessary to enable the paying agents for the Refunded Bonds to pay the Refunded Bond Requirements as the same become due, to the extent other moneys are not transferred or caused to be transferred for such purpose by the Escrow Bank.

E. Any Federal Securities referenced in paragraph B and C above (except as they may be held as book-entries) and any uninvested moneys accounted for in the Escrow Account may

from time to time be placed by the Escrow Bank for safekeeping wholly or in part in any such trust bank, only if prior to any such transfer the Assistant County Manager consents thereto in writing.

F. Each such trust bank holding any Federal Securities accounted for in the Escrow Account or any uninvested moneys accounted for therein, shall be furnished by the Escrow Bank with a copy of this Agreement prior to such deposit.

G. By the acceptance of such Federal Securities or such uninvested moneys each such trust bank shall be bound in the same manner as the Escrow Bank, as herein provided.

H. The Escrow Bank, however, shall remain solely responsible to the County:

(1) For any investment or reinvestments of moneys pursuant to Sections 1 and 5 hereof,

(2) For transfers of moneys pursuant to Section 7 hereof,

(3) For the termination of the Escrow Account pursuant to Section 8 hereof,

(4) For any notification of prospective deficiencies pursuant to Section 10 hereof,

(5) For the final report pursuant to Section 11 hereof, and

(6) For defraying any charges of any branch of the Federal Reserve Bank or any trust bank for any deposits of Federal Securities as pledge to secure uninvested moneys, of Federal Securities in escrow, and of uninvested moneys in escrow (or any combination thereof) or for any other service relating to this Agreement or the Escrow Account.

I. Notwithstanding the liabilities of the Escrow Bank stated in paragraph H of this section, the Escrow Bank may cause any one, all, or any combination of the duties stated in paragraph H to be performed on its behalf by any trust bank.

J. If at any time the Escrow Bank fails to account for any moneys or Federal Securities held by it or by any such trust bank in the Escrow Account, such moneys and securities shall be and remain the property of the County.

K. If for any reason such moneys or Federal Securities cannot be identified, all other assets of the Escrow Bank and of each such trust bank failing to account therefor shall be impressed with a trust for the amount thereof, and the County shall be entitled to a preferred claim upon such assets.

L. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and neither the Escrow Bank nor any such trust bank shall have any right or title with respect thereto.

Section 14. Purchaser's Responsibility. The holders from time to time of the 2019 Bonds shall in no manner be responsible for the application or disposition of the proceeds thereof or any moneys or Federal Securities accounted for in the Escrow Account. This clause shall not relieve the Escrow Bank (if it is a holder of the 2019 Bonds), in its capacity as Escrow Bank, from its duties under this Agreement.

Section 15. Amendment.

A. The 2019 Bonds shall be issued in reliance upon this Escrow Agreement and except as herein provided this Agreement shall be irrevocable and not subject to amendment after any of the 2019 Bonds shall have been issued.

B. The provisions of this Agreement may be amended, waived or modified only by an agreement in writing signed by both of the parties hereto and upon approval of the holders of all of the then outstanding Refunded Bonds. If S&P Global Ratings ("S&P") and Moody's Investors Service ("Moody's") has confirmed in writing that such amendment, waiver or modification will not result in the lowering or withdrawal of the ratings on any rated series of Refunded Bonds, the provisions of this Agreement also may be amended, waived or modified for one or more of the following purposes:

- (1) to cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this Agreement;
- (2) to pledge additional revenues, properties or collateral as security for the Refunded Bonds; or
- (3) to deposit additional monies or Federal Securities to the Escrow Account.

Notwithstanding any other provision hereof no amendment, modification or waiver shall be effective if it is materially prejudicial to the owners of the Refunded Bonds or affects the exclusion of the interest on the Refunded Bonds or the 2019 Bonds from gross income from federal income tax purposes, unless such amendment, waiver or modification is approved by the holders of all of the then outstanding Refunded Bonds.

C. The Escrow Bank shall provide copies of any such amendments, waivers or modifications to S&P and Moody's.

Section 16. Exculpatory Provisions.

A. The duties and responsibilities of the Escrow Bank are limited to those expressly and specifically stated in this Agreement and no implied obligations or covenants shall be read against the Escrow Bank hereunder.

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

C. The Escrow Bank shall not be personally liable or responsible for any act which it may do or omit to do hereunder, while acting with reasonable care, except for duties expressly imposed upon the Escrow Bank hereunder or as otherwise expressly provided herein.

D. The Escrow Bank shall neither be under any obligation to inquire into or be in any way responsible for the performance or nonperformance by the County of any of its obligations, nor shall the Escrow Bank be responsible in any manner for the recitals or statements contained in this Agreement, in the 2019 Bond Ordinance, in the Refunded Bonds, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the County.

E. Nothing in this Agreement creates any obligation or liabilities on the part of the Escrow Bank to anyone other than the County and the holders of the Refunded Bonds and the 2019 Bonds.

F. None of the provisions of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, reports, 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 consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. 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.

G. The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the County. Upon receiving such notice of resignation, the County shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to the County, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

H. The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Escrow 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 County 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 County 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.

I. The Escrow Bank shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Escrow Bank; it being understood that the Escrow Bank shall use reasonable efforts which are consistent with accepted

practices in the banking industry to resume performance as soon as practicable under the circumstances.

J. Any bank, corporation or association into which the Escrow Bank may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Bank shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Bank shall be the successor of the Escrow Bank hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instruction of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

K. Anything in this Escrow 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. Neither the Escrow Bank nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Escrow Agreement or in connection herewith except to the extent caused by the Escrow Bank's negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review.

L. To the extent allowed by Nevada law, the County shall indemnify, defend and hold harmless the Escrow Bank and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Bank for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Bank directly or indirectly relating to, or arising from, claims against the Escrow Bank by reason of its participation in the transactions contemplated hereby except to the extent caused by the Escrow Bank's negligence or willful misconduct. The foregoing sentence shall survive the termination of this Escrow Agreement or the earlier resignation or removal of the Escrow Bank.

Section 17. Time of Essence. Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Bank by this Agreement.

Section 18. Successors.

A. Whenever in this Agreement the County or the Escrow Bank is named or is referred to, such provision is deemed to include any successor of the County or the Escrow Bank, respectively, immediate or intermediate, whether so expressed or not.

B. All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the County or the Escrow Bank contained in this Agreement:

(1) Shall bind and inure to the benefit of any such successor, and

(2) Shall bind and inure to the benefit of any officer, board, authority, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law and relevant right, power, or duty of the County or the Escrow Bank, respectively, or of its successor.

Section 19. Severability. If any section, paragraph, clause, or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement. The County and the Escrow Bank agree to furnish written notice of any finding of invalidity or enforceability to S&P and Moody's.

Section 20. Force Majeure. In no event shall the Escrow Bank be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Escrow Bank's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement.

Section 21. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 22. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Nevada.

IN WITNESS WHEREOF, WASHOE COUNTY, NEVADA, has caused this Escrow Agreement to be signed in the County's name by the Assistant County Manager; and **U.S. BANK NATIONAL ASSOCIATION** has caused this Escrow Agreement to be signed in its corporate name by one of its authorized officers, all as of the day and year first above written.

WASHOE COUNTY, NEVADA

By _____
Christine Vuletich
Assistant County Manager

U.S. BANK NATIONAL ASSOCIATION

By _____
Keith Henselen
Vice President

[Signature page to Escrow Agreement]

EXHIBIT 1

(Attach Certified Public Accountant's Report)