

ESCROW OF BOND REDEMPTION FUNDS AGREEMENT

This Agreement, dated _____ 20___, by and between _____ (hereinafter referred to as "School District") and _____ (hereinafter referred to as the "Depository Bank"). The Depository Bank is located at _____.

The School District has received revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations of the School District. The School District, pursuant to C.R.S. §22-45-103(1)(b)(VII), wishes to place such funds into an escrow account with the Depository Bank under the terms herein set forth and the Depository Bank is willing to accept said funds and hold and distribute them as herein provided.

In consideration of the mutual covenants and other good and valuable consideration the parties agree as follows:

1. The School District shall deposit all tax revenues received by it for the purpose of satisfying bonded indebtedness obligations of the School District in a special escrow account in the Depository Bank, or financial institution eligible to receive public deposits, to be designated the “_____ Escrow Account” (the “Escrow Account”).
2. The funds deposited in the Escrow Account may be invested as directed by the School District in bank certificates of deposit, United States government obligations, placed in an interest bearing savings account, or at the direction of the district placed in any other investment authorized under Colorado law and the covenants under which the bonds were issued.
3. At the time the funds are deposited into the Escrow Account, the School District shall advise the Depository Bank in writing of (i) the dates upon which the School District is obligated to make payments on the bonded indebtedness to which the funds relate (ii) the amount of each such payment and (iii) the name and address of each person entitled to receive such payments. To the extent sufficient funds are available in the Escrow Account, the Depository Bank shall make the payments at the times, in the amounts and to the persons designated by the School District, as aforesaid. The School District shall have no right to amend, countermand or terminate such payment instructions or to withdraw funds from the Escrow Account, except as otherwise permitted by statute.

Under the provisions of CRS 22-41-110 the Treasurer of the State of Colorado (the “Treasurer”) may alter the payment instructions or withdraw funds from the account when the district has failed to make timely payments upon its obligations.

4. If the district, at any time prior to the disbursement of funds by the Depository Bank or financial institution has failed to make timely payments upon its obligations, as provided in Paragraph 3 of this Agreement, the Treasurer may direct the Depository Bank or financial institution not to disburse the proceeds until further notice by the Treasurer or to disburse all or any portion of the funds to the Treasurer.
5. This Agreement shall terminate upon the final disbursement of all funds pursuant to Paragraph 3 or 4.
6. The sole duties of the Depository Bank shall be to establish and maintain the Escrow Account, receive and hold the funds deposited by the School District therein and to disburse the funds in the manner provided in Paragraphs 3 and 4.

7. The School District acknowledges that the Depository Bank is performing the limited function of escrow agent under the specific terms herein set forth.
8. The Treasurer or School District may, at any time, inspect the records of the Depository Bank insofar as they relate to this Agreement.
9. The terms and conditions of this Agreement shall be binding on the heirs, executors and assigns, creditors or transferees, or successors in interest, whether by operation of law or otherwise, of the parties hereto. If for any reason the Depository Bank named herein should be unable or unwilling to continue its duties hereunder, or if the School District so elects, then the School District may substitute, with the consent of the Treasurer, another person to serve as Depository Bank
10. **Any interest earned on the investment of the amount on deposit in the Bond Redemption Fund Escrow Account shall be deposited directly into the Bond Redemption Fund Escrow Account.**

IN WITNESS WHEREOF, the parties have executed this Agreement the _____ day of _____, 20__.

SCHOOL DISTRICT: _____

By: _____

DEPOSITORY BANK: _____

By: _____

Title: _____