

**REDEVELOPMENT AGENCY OF THE CITY OF SPARKS, NEVADA
TAX INCREMENT REVENUE REFUNDING BONDS
SERIES 2016**

ESCROW AGREEMENT

This ESCROW AGREEMENT, dated as of October 11 2016 (this “Agreement”), is made by and between the REDEVELOPMENT AGENCY OF THE CITY OF SPARKS, NEVADA, a redevelopment agency and a public body, corporate and politic, duly organized and created under the laws of the State of Nevada (the “Agency”), and U.S. BANK NATIONAL ASSOCIATION (the “Escrow Bank”), a bank 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.

RECITALS

WHEREAS, the Agency 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

WHEREAS, the Agency is authorized to transact business and exercise its powers as a redevelopment agency, all under and pursuant to the Community Redevelopment Law, consisting of NRS 279.382 to 279.685, inclusive; and

WHEREAS, pursuant to proceedings duly taken and an Indenture of Trust, dated as of July 1, 2008 (the “2008 Indenture”), between the Agency and U.S. Bank National Association, as trustee (the “Trustee”), the Agency has heretofore issued its “Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Bonds (Redevelopment Area No. 2) Series 2008” (the “2008 Bonds”), in the original principal amount of \$12,700,000, bearing interest from the date thereof until their respective maturities, payable on the first days of June and December in each year, and the only outstanding 2008 Bonds bearing interest at the rates and maturing on the first day of June in each of the designated amounts of principal and designated years, are as follows:

<u>Maturing (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$ 2,505,000	6.400%
2028	7,420,000	6.700

; and

WHEREAS, the outstanding 2008 Bonds maturing June 1, 2020 and June 1, 2028 are subject to redemption prior to their fixed maturity dates at the option of the Agency, on June 1, 2018, in whole or in part, at a redemption prices equal to 100% of the principal amount of the 2008 Bonds so redeemed, plus accrued interest thereon to the date of redemption without premium; and

WHEREAS, the Agency desires to refund, pay and discharge all of the 2008 Bonds maturing on June 1, 2020 and June 1, 2028 (herein, the “Refunded Bonds”) on June 1, 2018 (herein, the “Redemption Date”); and

WHEREAS, the Agency has heretofore authorized the issuance of its “Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Refunding Bonds, Series 2016” (the “2016 Bonds”) for the purpose of paying, together with other available moneys, the principal of and interest due on the Refunded Bonds on and prior to the Redemption Date (the “Refunded Bond Requirements”), and paying costs incidental thereto; and

WHEREAS, the 2016 Bonds are being issued pursuant to a resolution adopted by the Board of the Agency on September 26, 2016 (the “Bond Resolution”), and an Indenture of Trust, dated as of October 1, 2016 (the “2016 Indenture ”), between the Agency and Trustee; and

WHEREAS, the 2016 Bonds were sold subject to the approving opinion of the Agency’s bond counsel, Sherman & Howard L.L.C. (“bond counsel”); and

WHEREAS, the Agency, by the Bond Resolution and the 2016 Indenture:

A. Authorized the creation of the Escrow Account (as defined below) to be maintained by the Escrow Bank;

B. Authorized the deposit into the Escrow Account of the net proceeds of the 2016 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);

C. Authorized the call of the Refunded Bonds for prior redemption on the Redemption Date, as applicable;

D. Authorized the purchase of Federal Securities with such moneys credited to the Escrow Account; and

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

WHEREAS, a copy of the Bond Resolution and the 2016 Indenture have 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

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

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 A to this Agreement, demonstrate the sufficiency of the Federal Securities and initial cash for such purpose; and

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

WHEREAS, the undersigned officers of the Escrow Bank are duly authorized to execute and deliver this Agreement in the Escrow Bank's name and on its behalf; and

WHEREAS, the Agency is empowered to undertake the obligations and commitments on its part herein set forth; and

WHEREAS, the undersigned officers of the Agency are duly authorized to execute and deliver this Agreement in the Agency's name and on its behalf.

NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH: That in consideration of the mutual agreements herein contained 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 issuance and delivery of the 2016 Bonds: (1) the Agency shall cause to be deposited with the Escrow Bank \$_____ of the 2016 Bond proceeds and \$_____ of other available moneys; (2) the Trustee, at the Agency's direction and authorization (which is hereby given), shall cause to be deposited with the Escrow Bank \$_____ of the funds on deposit in the Debt Service Account established under the 2008 Indenture for the Refunded Bonds; (3) the Trustee, at the Agency's direction and authorization (which is hereby given), shall cause to be deposited with the Escrow Bank \$_____ of the funds on deposit in the Reserve Account established under the 2008 Indenture for the Refunded Bonds. With the amount deposited, the Escrow Bank shall purchase (to the extent not heretofore purchased) the Federal Securities described in Exhibit A to this Agreement (the "Initial Federal Securities") and shall cause the Initial Federal Securities and an initial cash balance of \$___ to be credited to and accounted for in a separate trust account designated as the "Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Refunding Bonds, Series 2016, 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 2016 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 and yield proofs in a certified public accountant's report, and subject to a favorable opinion of the Agency's bond counsel as to the legality of any such substitution, and the continued exemption of interest on the 2016 Bonds from federal income taxation (except certain alternative minimum taxes described in bond counsel's opinion), and in any event in such a manner so as not to increase the price which the Agency 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 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 and otherwise administered by the Escrow Bank for the benefit of the Agency as provided in this Agreement.

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 SLGS subscription that is to be submitted pursuant to this Section 1, the Escrow Bank shall promptly request alternative written investment instructions from the Agency with respect to escrowed funds which were to be invested in SLGS. 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 Agency. In the absence of investment instructions from the Agency, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Agency'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 on the Redemption Date.

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 apply all money so collected to the payment of the Refunded Bond Requirements as aforesaid.

Section 3. Accounting for Escrow.

A. The moneys and Federal Securities accounted for in the Escrow Account shall not be subject to checks drawn by the Agency 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 the Escrow Account to the Trustee, sufficient moneys to permit the Trustee to pay, without any default, the Refunded Bond Requirements, as the same become due, as provided herein and as directed by the duly authorized officers of the Agency.

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 Agency'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 Agency 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 Agency first obtains and furnishes to the Escrow Bank a written opinion of the Agency'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 Notice for Refunded Bond Requirements.

A. The Escrow Bank shall make such credit arrangements with and transfers to the Trustee, as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Bond Requirements (including any amounts coming due by mandatory sinking fund redemption pursuant to the 2008 Indenture).

B. The Escrow Bank, in its capacity as Trustee under the 2008 Indenture, acknowledges that it has caused the notices of defeasance set forth in Exhibit B to be filed with the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System on the date hereof.

C. The Escrow Bank, in its capacity as Trustee under the 2008 Indenture, further acknowledges and agrees to deliver the redemption notice set forth in Exhibit B to the Registered Owners (as defined in the 2008 Indenture) of the Refunded Bonds at least (30) days and not more than sixty (60) days prior to the Redemption Date.

Section 8. Termination of Escrow Account. When payment or provisions for payment shall have been made with the Trustee, 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 Agency the moneys, if any, then remaining in the Escrow Account and shall make forthwith a final report for the Agency to the Treasurer. Such moneys may be used by the Agency for any lawful purpose, subject to any limitations in the Bond Resolution and the 2016 Indenture. This Agreement may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Escrow Bank has been appointed by the Agency 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 Agency agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Refunded Bond Requirements.

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 \$____, which amount is to be paid at or prior to the time of the issuance of the 2016 Bonds by the Agency 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 Treasurer as soon as reasonably practicable of such fact and the amount of such deficiency.

B. Thereupon the Agency 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 Agency's failure to make any such deposit.

Section 11. Status Report.

A. On June 30, 2017, and each June 30 thereafter through and including the June 30 immediately succeeding the date on which all of the Refunded Bonds are redeemed, the Escrow Bank shall submit to the Treasurer a report for the preceding 12 month period 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 trust bank 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 Agency 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 Agency 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, the Bond Resolution and the 2016 Indenture.

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 Agency for payment, if they are registrable for payment, and in such event shall obtain the necessary endorsements from the duly authorized officials of the Agency as they become due.

B. The Agency, 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 Agency.

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 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 so held as a pledge shall be used whenever necessary to enable the Trustee 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 (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 Treasurer 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 Agency:

- (1) For any investment or reinvestments of moneys pursuant to Sections 1 and 5 hereof,
- (2) For transfers of money,
- (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 Agency.

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 Agency 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 2016 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 2016 Bonds), in its capacity as Escrow Bank, from its duties under this Agreement.

Section 15. Amendment.

A. The 2016 Bonds shall be issued in reliance upon this Agreement and except as herein provided this Agreement shall be irrevocable and not subject to amendment after any of the 2016 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. Notwithstanding the foregoing sentence, the provisions of this Agreement 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 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 2016 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.

Section 16. Exculpatory Provisions.

A. The duties and responsibilities of the Escrow Bank are limited to those expressly and specifically stated in this Agreement.

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

C. The Escrow Bank shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing, except for its negligence, willful misconduct or its default in the performance of any obligations imposed upon it hereunder.

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 Agency of any of its obligations contained in this Agreement, the Bond Resolution, the 2016 Indenture, the 2016 Bonds, the Refunded Bonds, or in any proceedings taken in connection therewith (other than its responsibilities as trustee under such instruments).

E. Nothing in this Agreement creates any obligation or liabilities on the part of the Escrow Bank to anyone other than the Agency and the owners of the Refunded Bonds and the 2016 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, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

G. 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.

H. 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.

I. 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.

J. 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 Agency 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 Agency 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.

K. Any corporation into which the Escrow Bank may be merged or converted or with which it may be consolidated, or to which it may transfer its corporate trust business, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Bank shall be a party, or any corporation succeeding to the 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 except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

L. The Escrow Bank may at any time resign by giving thirty (30) days written notice to the Agency of such resignation. The Agency shall promptly appoint a successor Escrow Bank by the resignation date. Resignation of the Escrow Bank will be effective upon acceptance of appointment by the successor Escrow Bank. If the Agency does not promptly appoint a successor, the Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Bank. After receiving a notice of resignation of an Escrow Bank, the Agency may appoint a temporary Escrow Bank to replace the resigning Escrow Bank until the Agency appoints a successor Escrow Bank. Any such temporary

Escrow Bank so appointed by the Agency shall immediately and without further act be superseded by the successor Escrow Bank so appointed.

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 Agency or the Escrow Bank is named or is referred to, such provision is deemed to include any successor of the Agency 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 Agency 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 Agency or the Escrow Bank, respectively, or of its successor.

Section 19. Severability. If any section, paragraph, 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, clause, or provision shall not affect any of the remaining provisions of this Agreement.

Section 20. 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 21. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Nevada.

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IN WITNESS WHEREOF, the **REDEVELOPMENT AGENCY OF THE CITY OF SPARKS, NEVADA**, has caused this Escrow Agreement to be signed in the Agency's name by the Chairman of the Agency; and **U.S. BANK NATIONAL ASSOCIATION** has caused this Escrow Agreement to be signed in its corporate name by one of its officers, all as of the day and year first above written.

REDEVELOPMENT AGENCY OF THE CITY
OF SPARKS, NEVADA

By _____
Chairman of the Agency

U.S. BANK NATIONAL ASSOCIATION

By _____
Vice President

EXHIBIT A
CERTIFIED PUBLIC ACCOUNTANT'S REPORT

EXHIBIT B

NOTICE OF PRIOR REDEMPTION AND DEFEASANCE

Relating to:

**REDEVELOPMENT AGENCY OF THE CITY OF SPARKS, NEVADA
TAX INCREMENT REVENUE BONDS
(REDEVELOPMENT AREA NO. 2)
SERIES 2008**

Maturity Date (June 1)	Principal Amount to be Redeemed	CUSIP Numbers
2020	\$ 2,505,000	846539 AA2
2028	7,420,000	846539 AB0

NOTICE IS HEREBY GIVEN that the Redevelopment Agency of the City of Sparks, Nevada (the “Agency”), has caused to be deposited in escrow with U.S. Bank National Association, refunding bond proceeds and other moneys which have been invested (except for an initial cash balance remaining uninvested) in bills, notes, bonds, and similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States of America, sufficient to pay when due the principal of and accrued interest on the “Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Bonds (Redevelopment Area No. 2), Series 2008 (the “2008 Bonds), maturing on June 1, 2020 and June 1, 2028, as more particularly described above (the Refunded Bonds”), on June 1, 2018 (the “Redemption Date”).

The Refunded Bonds [will be]* [are hereby]** called for prior redemption on the Redemption Date at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

On the Redemption Date, the principal amount of plus all accrued interest on the Refunded Bonds will be due and payable at the offices of U.S. Bank National Association, as the trustee for the Refunded Bonds (or to any successor in trust) (the “Trustee”). Payment of the Refunded Bonds will be made upon presentation and surrender of the securities to:

U.S. Bank National Association
Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

*Insert in defeasance notice.

**Insert in redemption notice.

After such redemption upon the Redemption Date, interest on the Refunded Bonds will cease to accrue. According to a report of a firm of certified public accountants, the escrow established at U.S. Bank National Association, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal of and the accrued interest on the Refunded Bonds due on and before the Redemption Date.

In compliance with federal law, the Trustee is required to withhold at the current rate of withholding from payments of principal to individuals who fail to furnish valid Taxpayer Identification Numbers. A completed form W-9 should be presented with your Refunded Bonds.

The CUSIP numbers have been assigned to this issue by Standard & Poor's Corporation and are included solely for the convenience of the bondholders. Neither the Agency nor the Trustee shall be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated in any redemption notice.

DATED: _____, _____.

U.S. BANK NATIONAL ASSOCIATION, as Trustee
for the Refunded Bonds

/s/ _____
Authorized Officer