

**DOUGLAS COUNTY SCHOOL DISTRICT, NUMBER RE1  
DOUGLAS AND ELBERT COUNTIES, COLORADO  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2022**

**ESCROW AGREEMENT**

**DATED** as of [CLOSING DATE], made by and between Douglas County School District, Number Re1, Douglas and Elbert Counties, Colorado, a school district duly organized and created under the laws of the State of Colorado (the “District”), and UMB Bank, n.a., a national banking association having and exercising full and complete trust powers, duly organized and existing under and by virtue of the laws of the United States, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System (the “Escrow Bank”).

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

(2) **WHEREAS**, the District has heretofore issued its “General Obligation Refunding Bonds, Series 2012”, originally issued in the aggregate principal amount of \$71,095,000, which included \$70,995,000 of Current Interest Bonds (the 2012 CIBs) and \$100,000 Original Principal Amount of Capital Appreciation Bonds (2012 CABs), and currently outstanding in the aggregate principal amount of \$66,365,000 (collectively, the “2012 Bonds”); as set forth below:

<u>Maturity</u> <u>(December 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
2022	\$60,000*	3.200%*
2023	40,000*	3.350*
2022	1,110,000	3.000
2023	12,515,000	3.500
2024	5,000,000	4.000
2024	10,055,000	5.000
2025	11,940,000	4.000
2026	10,000,000	4.000
2026	4,965,000	5.000
2027	2,475,000	5.000
2028	2,600,000	5.000
2029	2,730,000	5.000
2030	2,865,000	5.000

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\*represents original principal amount of 2012 CABs and the original yield on the 2012 CABs.

; and

(3) **WHEREAS**, the District has heretofore issued its “General Obligation Refunding Bonds, Series 2013”, originally issued in the aggregate principal amount of \$31,020,000 and currently outstanding in the aggregate principal amount of \$29,615,000 (the “2013 Bonds” and with the 2012 Bonds, the “Prior Bonds”); as set forth below:

<u>Maturity</u> <u>(December 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
2022	\$155,000	3.000%
2023	160,000	3.000
2024	165,000	3.000
2025	3,990,000	4.000
2026	4,145,000	4.000
2027	17,450,000	4.000
2028	3,550,000	4.000

; and

(4) **WHEREAS**, the 2012 CABS are not subject to redemption prior to maturity; and

(5) **WHEREAS**, the 2012 CIBs and the 2013 Bonds maturing on and after December 15, 2023, are subject to redemption prior to their respective maturities, at the option of the District, on December 15, 2022, or on any date thereafter, in whole or in part, in integral multiples of \$5,000, from such maturities as are selected by the District and by lot within a maturity (giving proportionate weight to Prior Bonds in denominations larger than \$5,000) in such manner as the District may determine, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium; and

(6) **WHEREAS**, the District now desires to refund, pay and discharge (i) all of the 2012 CIBs maturing on and after December 15, 2023, in the aggregate principal amount of \$65,145,000, and (ii) all of the 2013 Bonds maturing on December 15, 2023, in the aggregate principal amount of \$29,460,000 (collectively, the “Refunded Bonds”), and call such Refunded Bonds for prior redemption on December 15, 2022 (the “Redemption Date”); and

(7) **WHEREAS**, the District intends to issue its “General Obligation Refunding Bonds, Series 2022” (the “Series 2022 Bonds” or the “Bonds”) in the aggregate principal amount of \$[\_\_\_\_\_] for the purpose of paying (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same becomes due on and after the date of delivery of the Bonds

and on and before the Redemption Date; and (ii) the principal of the Refunded Bonds upon prior redemption on the Redemption Date (the “Refunded Bond Requirements”) as more particularly described in the certified public accountant’s report attached as Exhibit 1 to this Agreement (the “Report”); and

(8) **WHEREAS**, the Bonds are issued by the District pursuant to a resolution passed by the District on April 26, 2022 (the “Bond Resolution”); and

(9) **WHEREAS**, the District, by the Bond Resolution, among other matters:

A. Created the Escrow Account (as defined below);

B. Authorized the Escrow Account (as defined below) to be maintained at the Escrow Bank;

C. Provided for the deposit in the Escrow Account of a portion of the net proceeds of the Series 2022 Bonds and any other moneys in an aggregate amount fully sufficient to pay the Refunded Bond Requirements, as set forth therein and herein; and

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

(10) **WHEREAS**, a copy of the Bond Resolution 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

(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 District is empowered to undertake the obligations and commitments on its part herein set forth; and

(14) **WHEREAS**, the undersigned officers of the District are duly authorized to execute and deliver this Agreement in the District’s name and on its behalf.

**NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH:**

That in consideration of the mutual agreements herein contained, in consideration of the fee referred to in Section 6 hereof duly paid by the District to the Escrow Bank at or before the delivery of these presents, the receipt whereof is hereby acknowledged, 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 Series 2022 Bonds, and subject to their issuance, the District, with \$[\_\_\_\_\_] of the Series 2022 Bond proceeds to be credited to and accounted for in a separate trust account designated as the “Douglas County School District, Number Re1, General Obligation Refunding Bonds, 2022, Escrow Account” (the “Escrow Account”). Receipt of \$[\_\_\_\_\_] by the Escrow Bank to be applied as provided herein is hereby acknowledged.

B. Moneys accounted for in the Escrow Account shall be deposited with the Escrow Bank and credited to and accounted for in the Escrow Account. The moneys accounted for therein shall be redeemed and paid out and otherwise administered by the Escrow Bank for the benefit of the District as provided in this Agreement and the Bond Resolution.

**Section 2. Purpose of Escrow.**

The Escrow Bank shall hold all moneys in the Escrow Account in trust to secure and for the payment of the Refunded Bond Requirements, as the same become due.

**Section 3. Accounting for Escrow.**

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

B. The Escrow Bank, however, shall transfer from time to time, sufficient moneys to pay, without any default, the Refunded Bond Requirements, as the same become due, as provided herein.

C. The moneys accounted for in the Escrow Account shall be in an amount which at all times shall be sufficient to pay the Refunded Bond Requirements as they become Due.

**Section 4. Transfers and Redemption Notice for Refunded Bond Requirements.**

A. The Escrow Bank shall make such arrangements and transfers to UMB Bank, n.a., as paying agent for the Refunded Bonds (the “Refunded Bonds Paying Agent”), 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 at the maturity or prior redemption date.

B. The District directs the Refunded Bonds Paying Agent to cause notice of prior redemption of the Refunded Bonds to be given in the manner required by the resolutions authorizing the issuance of such Refunded Bonds. Additionally, the Refunded Bonds Paying Agent shall cause notice of redemption of the Refunded Bonds to be given not more than 60 days and not less than 30 days prior to redemption on the Redemption Date to the registered owners, of the Refunded Bonds in the manner provided in the bond resolutions authorizing the Refunded Bonds.

**Section 5. Termination of Escrow Account.**

When payment or provisions for payment shall have been made 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 District the moneys, if any, then remaining in the Escrow Account. Such moneys may be used by the District for any lawful purpose, subject to any limitations in the Bond Resolution.

**Section 6. 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 Series 2022 Bonds by the District 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, and the fees of and the costs incurred by the Escrow Bank shall not be deducted from such account.

**Section 7. Status Report.**

On or before January 31, 2023, the Escrow Bank shall submit to the District 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.

**Section 8. Character of Deposit.**

A. It is recognized that title to the money accounted for in the Escrow Account from time to time shall remain vested in the Escrow Bank for the benefit of the District but subject always to the prior charge and lien thereon of the Bond Resolution and this Agreement and the use thereof required to be made by the provisions of this Agreement and the Bond Resolution.

B. The Escrow Bank shall hold all money in the Escrow Account as a special trust fund and account, which is accounted for separately from other funds and securities on deposit with it, and shall never at any time use, loan, or borrow the same in any way.

**Section 9. Securing Deposit.**

A. All uninvested money held at any time in the Escrow Account shall be continuously secured by the deposit of 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”), in a principal amount and value always not less than the total amount of uninvested money in the Escrow Account (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):

- (1) In any branch of the Federal Reserve Bank,
- (2) In any commercial bank which:
  - (1) Is a state or national bank or trust company, and
  - (2) Is a member of the Federal Deposit Insurance Corporation,
  - (3) Is a member of the Federal Reserve System, and
  - (4) Has a shareholder’s equity of \$10,000,000.00 or more, and
  - (5) Is exercising full and complete trust powers, and
  - (6) 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).

B. Such Federal Securities so held as a pledge shall be used whenever necessary to enable the Refunded Bonds Paying Agent 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.

C. If at any time the Escrow Bank fails to account for any moneys held by it, such moneys and securities shall be and remain the property of the District.

D. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and the Escrow Bank shall have no right or title with respect thereto except as provided herein.

**Section 10. Purchaser's Responsibility.**

The holders from time to time of the Series 2022 Bonds shall in no manner be responsible for the application or disposition of the proceeds thereof or any moneys accounted for in the Escrow Account. This clause shall not relieve the Escrow Bank (if it is a holder of the Series 2022 Bonds), in its capacity as Escrow Bank, from its duties under this Agreement.

**Section 11. Amendment.**

A. The Series 2022 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 Series 2022 Bonds shall have been issued.

B. The provisions of this Agreement may be amended, waived or modified upon approval of the holders of all of the Refunded Bonds and Series 2022 Bonds. The provisions of this Agreement also may be amended, waived or modified, without the consent of or notice to the holders of the Refunded Bonds or the Series 2022 Bonds, 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 Series 2022 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, the Bonds affected thereby.

C. The District hereby agrees for the benefit of the registered owners of the Refunded Bonds that it will not avail itself of any statutory or other right it may have to terminate

or cancel this Agreement unless and until a successor has been appointed and the Escrow Account has been transferred to such successor.

**Section 12. 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 covenants or obligations shall be read against the Escrow Agent hereunder.

B. The Escrow Bank and any of its officers, agents or employees 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 and any of its officers, agents or employees shall not be personally liable or responsible 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 omit to do hereunder, while acting with reasonable care, except for its negligence or its default in the performance of any obligations imposed upon the Escrow Bank 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 District 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 Bond Resolution, in the Refunded Bonds, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the District.

E. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions relating to the funds held pursuant to this Agreement, the District waives receipt of such confirmations, to the extent permitted by law. The Escrow Bank shall furnish a statement of security transactions on its regular monthly reports.

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

**Section 13. 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 14. Successors.**

A. Whenever in this Agreement the District or the Escrow Bank is named or is



referred to, such provision is deemed to include any successor of the District or the Escrow Bank, respectively, immediate or intermediate, whether so expressed or not. The rights and obligations under this Agreement may be transferred by the Escrow Bank to a successor. Any corporation or association into which the Escrow Bank may be merged or converted or with which the Escrow Bank may be consolidated or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which the Escrow Bank may be a party or any corporation or association to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any document or any further act, anything herein to the contrary notwithstanding.

B. All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the District 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, district, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any relevant right, power, or duty of the District or the Escrow Bank, respectively, or of its successor.

**Section 15. 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.

**Section 16. Notices.**

Any notice to be given hereunder shall be delivered personally or mailed postage prepaid, return receipt requested, to the following addresses:

If to the District: Douglas County School District, Number Re1  
620 Wilcox Street  
Castle Rock, Colorado 80104  
ATTN: Chief Financial Officer

If to the Escrow Bank: UMB Bank, n.a.  
1670 Broadway  
Denver, Colorado 80202  
ATTN: Corporate Trust and Escrow Services Dept.

or such other address as either party may, by written notice to the other party, hereafter specify. Any notice shall be deemed to be given upon mailing.

**Section 17. Exercise of Option.** The Board has elected and does hereby declare its intent to exercise on the behalf and in the name of the District its option to redeem the Refunded Bonds on the Redemption Date. The District hereby authorizes and directs the Refunded Bonds Paying Agent, to give notice of refunding, defeasance and redemption of the Refunded Bonds to the registered owners of the Refunded Bonds in accordance with the provisions of the resolution authorizing the issuance of the Refunded Bonds.

**Section 18. Jurisdiction and Venue.** The rights of the District under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado without regard to choice of law analysis. Jurisdiction and venue for any disputes related to this Agreement shall be in any court of the State of Colorado located in Douglas County or in the United States District Court for the District of Colorado.

**Section 19. Electronic Transactions.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

**Section 20. Form of Redemption Notice.** The notice so to be given shall be in substantially the following form:

(EXHIBIT A)

(Form of Notice)

**NOTICE OF REFUNDING, DEFEASANCE AND REDEMPTION  
DOUGLAS COUNTY SCHOOL DISTRICT, NUMBER RE1  
IN THE COUNTIES OF DOUGLAS AND ELBERT, STATE OF COLORADO**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013**

CUSIP NOS: 258885 F80, F98, J37, G22, G30, J45, G48, G55, G63, G71, G97, K92, L26, L34,  
L42, L59, L67

NOTICE IS HEREBY GIVEN that Douglas County School District, Number Re1, in the Counties of Douglas and Elbert, and State of Colorado (the “District”) will cause to be deposited in escrow with UMB Bank, n.a., refunding bond proceeds and other moneys which will be sufficient to refund, pay, redeem and discharge the principal and interest in connection with the District’s (i) General Obligation Refunding Bonds, Series 2012 consisting of the Current Interest Bonds only (the “2012 CIBs”) and (ii) General Obligation Refunding Bonds, Series 2013 (the “2013 Bonds” and, together with the 2012 CIBs, the “Prior Bonds”), as further described below.

All of the 2012 CIBs and the 2013 Bonds maturing on and after December 15, 2023, including (i) all of the 2012 CIBs maturing on and after December 15, 2023, in the aggregate principal amount of \$65,145,000 and (ii) all of the 2013 Bonds maturing on December 15, 2023, in the aggregate principal amount of \$29,460,000 (collectively, the “Refunded Bonds”), will be called for prior redemption on December 15, 2022 (the “Redemption Date”). On the Redemption Date, the principal of such Refunded Bonds and accrued interest to the Redemption Date, without prior redemption premium (the “Refunded Bond Requirements”) will become due and payable at the principal office of the paying agent of the Refunded Bonds, UMB Bank, n.a. (the “Refunded Bonds Paying Agent”), and thereafter interest will cease to accrue. The Refunded Bonds does not include the 2012 Capital Appreciation Bonds issued in the original principal amount of \$100,000 coming due on December 15, 2022 (\$60,000) and December 15, 2023 (\$40,000).

According to a report of a firm of certified public accountants, licensed to practice in Colorado, the escrow, 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 Refunded Bond Requirements.

Pursuant to federal law, the Refunded Bonds Paying Agent is required to withhold a portion of the principal of your bond redeemed unless the Paying Agent is provided with your Social Security Number or Taxpayer Identification Number, properly certified or submitted on a Form W-9. A completed Form W-9 should be presented with your bond.

The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor's Corporation and are intended solely for bondholders' convenience. Neither the Refunded Bonds Paying Agent nor the District shall be responsible for 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 [\_\_\_\_\_].

UMB BANK, N.A., as Registrar and Paying Agent for the Refunded Bonds

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

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**IN WITNESS WHEREOF, DOUGLAS COUNTY SCHOOL DISTRICT, NUMBER RE1, DOUGLAS AND ELBERT COUNTIES, COLORADO,** has caused this Escrow Agreement to be signed in the District's name by the President of the Board of Education, and to be attested by the Secretary, with the seal thereof hereunto affixed; and **UMB BANK, N.A.,** 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.

**DOUGLAS COUNTY SCHOOL DISTRICT,  
NUMBER RE1, DOUGLAS AND ELBERT  
COUNTIES, COLORADO**

By \_\_\_\_\_  
President, Board of Education

(SEAL)

Attest:

\_\_\_\_\_  
Secretary, Board of Education

**UMB BANK, N.A.**

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

EXHIBIT 1

(Attach Certified Public Accountant's Report)