



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** February 2, 2023

Staff Contact: Sheri Russell-Benabou, Chief Financial Officer

Agenda Title: For Possible Action: Discussion and possible action to adopt, on second reading, Bill No. 101, a proposed ordinance authorizing the issuance by Carson City of its "General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023" in the aggregate principal amount not to exceed \$5,550,000. (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: This is the second reading of a proposed ordinance which, if enacted, will authorize the issuance of the "General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023" in the aggregate principal amount not to exceed \$5,550,000 for the purpose of financing certain infrastructure projects set forth in NRS 377B.160(3).

Agenda Action: Ordinance - Second Reading **Time Requested:** 5 Minutes

Proposed Motion

I move to adopt, on second reading, Bill No. 101, Ordinance No. _____.

Board's Strategic Goal

Efficient Government

Previous Action

January 19, 2023 (Item 14A): The Board of Supervisors ("Board") approved, on first reading, Bill No. 101.

November 3, 2022 (Item 24A): The Board held a public hearing regarding the proposed issuance.

October 5, 12, and 19, 2022: The Resolution of Intent was published in the Nevada Appeal.

September 1, 2022 (Item 18A): The Board approved Resolution #2022-R29, a resolution of intent, proposing the issuance of; and authorizing the publication of notices related to general obligation (limited tax) infrastructure sales tax bonds (additionally secured by pledged revenues), in the aggregate principal amount not to exceed \$5,550,000.

August 23, 2022 (Item E): The Debt Management Commission adopted a resolution approving Carson City's proposed issuance of infrastructure sales tax general obligation bonds.

August 4, 2022 (Item 12A): The Board adopted Resolution #2022-R-27, a resolution directing staff to notify the Carson City Debt Management Commission of the City's intent to issue infrastructure sales tax general obligation bonds in an amount not to exceed \$5,550,000.

Background/Issues & Analysis

This ordinance is being proposed to issue a general obligation bond in an amount not to exceed \$5,550,000 to fund the balance of the William Street Corridor Project that remains unfunded. The total project costs are \$22,240,787. The City received a federal appropriation of approximately \$2 million and \$9.3 million from a Rebuilding American Infrastructure with Sustainability and Equity ("RAISE") federal grant. In addition, \$5,540,787 is available through Redevelopment, Water, Wastewater and Stormwater Funds for their portion of this project, leaving a remaining project balance of \$5,400,000. The bond issuance costs are included in the total not to exceed amount requested. The City has been able to reduce the amount borrowed based on the federal appropriation and grants received.

The interest rate on the proposed bonds was initially estimated by the City's municipal advisor, JNA Consulting Group, to be five percent. Based on current market conditions, JNA considers this estimate to be conservative. Prior to the adoption of the bond ordinance mentioned above, an updated estimate will be provided to the Board.

Annual debt service on the bonds will be paid from the City's Infrastructure Tax Fund. The bonds are additionally secured by a one-eighth of one percent (0.125%) sales tax.

Applicable Statute, Code, Policy, Rule or Regulation

NRS Chapters 350 and 377B

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Infrastructure Tax Fund, Bond Proceeds 3100099-483030; Transfer to Debt service 3100079-507205; and Debt Service Fund, principal, and interest payments 4107100-50XXXX.

Is it currently budgeted? No

Explanation of Fiscal Impact: Bond proceeds and issuance costs would be posted to the Infrastructure Tax Fund, Bond Proceeds 3100099-483030. Bond issuance costs will be deducted from the bond proceeds and remaining amounts available for the project will be \$5,400,000. The estimated annual debt service payments for these bonds are approximately \$553,000 for 15 years. Final amounts of bond proceeds, issuance costs, debt service and capital project proceeds will be added to the Infrastructure Tax Fund and Debt Service budgets through a budget augmentation in Fiscal Year 2023 once bond numbers are finalized.

Alternatives

Do not introduce the ordinance and elect to not pursue the financing and instead accumulate funds to do projects on a pay-as-you-go basis and/or provide alternative direction to staff.

Attachments:

[Bond Ordinance \(55367507v7\) Second Reading.DOCX](#)

[Appendix CDC \(55884547v2\).DOC](#)

[Funding Model CACI 2023 Infrastructure Bonds \(2023-01-04\).pdf](#)

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

Summary - An ordinance authorizing the issuance by Carson City, Nevada, of its General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023.

BILL NO. 101

ORDINANCE NO. _____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA AUTHORIZING THE ISSUANCE OF ITS "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) INFRASTRUCTURE SALES TAX BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2023" FOR THE PURPOSE OF FINANCING CERTAIN INFRASTRUCTURE PROJECTS SET FORTH IN NRS 377B.160(3); PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, AND THE GENERAL TAX PROCEEDS AND THE REVENUES PLEDGED FOR THE PAYMENT OF SUCH BONDS; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, Carson City in the State of Nevada (the "City" and the "State," respectively) is a political subdivision of the State duly organized as a consolidated municipality under the provisions of Section 37A of Article 4 of the Nevada Constitution and operating pursuant to Nevada Revised Statutes ("NRS") Chapters 244 and 268 and the general laws of the State, when not inconsistent with the Statutes of Nevada 1969, Chapter 213 (the "Charter"); and

WHEREAS, Nevada Revised Statutes ("NRS") 350.500 through 350.720, inclusive, designated in 350.500 thereof as the "Local Government Securities Law" (the "Bond Act"), Section 7.030 of the Charter and NRS Chapter 377B (the "Act") in effect provide that the Board of Supervisors of the City (the "Board") has the power to borrow money for corporate purposes; and

WHEREAS, pursuant to the Act, the City has authorized the imposition of a tax within the City of one-eighth of 1 percent (0.125%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed, in the City as set forth in Chapter 21.08 of the Carson City Municipal Code (the "Sales Tax"); the proceeds of which Sales Tax must be expended to repay bonds issued to acquire, establish,

construct, expand, improve and equip certain infrastructure projects set forth in NRS 377B.160(3) pursuant to the Act and in accordance with a plan approved by the Board (collectively, the “Project”); and

WHEREAS, pursuant to NRS 377B.150, the City shall continue to deposit the money received from the Sales Tax in the City treasury for credit to the infrastructure fund (the “Infrastructure Fund”); and

WHEREAS, the City has determined and hereby determines that the Pledged Revenues (defined below) will at least equal the amount required in each year for the payment of the interest on and principal of the Bonds (defined below) proposed to be issued pursuant to the Proposal (defined below), without regard to any option reserved by the City for early redemption; and

WHEREAS, pursuant to NRS 350.016 to 350.0165, inclusive, the City has submitted to the Debt Management Commission of Carson City (the “Commission”), the City’s proposal to issue its general obligation infrastructure sales tax bonds in the aggregate principal amount of \$5,550,000 (the “Proposal”); and

WHEREAS, the Commission has heretofore approved the Proposal; and

WHEREAS, other than the 2014 Bonds (defined below), there are currently no outstanding obligations which are secured in whole or in part by Pledged Revenues (defined below) and the City has never pledged nor in any way hypothecated the Pledged Revenues to the payment of any bonds or for any other purpose with the result that the Pledged Revenues may now be pledged to repayment of the Bonds; and

WHEREAS, pursuant to a resolution passed and adopted by the Board, notice of adoption of the resolution of intent to issue the Bonds and notice of public hearing was published in a newspaper of general circulation in the City; and

WHEREAS, a public hearing was held and the time within which to present a petition to the City requesting an election will expire prior to the issuance of the Bonds; and

WHEREAS, the City has provided for the sale of the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023” (the “Bonds”) for the purpose of financing the costs of the Project; and

WHEREAS, the Board hereby authorizes the City's Chief Financial Officer (the "Chief Financial Officer"), or the City Manager, as the chief administrative officer of the City (the "City Manager"), to accept a binding bid for the Bonds from the best bidder therefor (the "Purchaser") which bid offers to purchase the Bonds bearing interest at the rates per annum provided in the bond purchase proposal submitted by the Purchaser and upon the other terms provided below (the "Bond Purchase Proposal"), for a purchase price consisting of the principal amount (not to exceed \$5,550,000), plus accrued interest from the date of the Bonds to the date of their delivery, plus a premium or less a discount not to exceed nine percent of such principal amount, all as specified in a certificate dated on or before the date of delivery of the Bonds (the "Certificate of the Chief Financial Officer"), which price does not result in an effective interest rate on the Bonds in excess of three percent over the Index of Twenty Bonds most recently published in The Bond Buyer prior to the time bids were received for the Bonds; and

WHEREAS, the Board has considered, has further determined and declares:

A. The Board has studied the desirability and feasibility of the Project and has determined to authorize the issuance of the Bonds additionally secured by the Pledged Revenues for the Project; and

B. The Board has approved a plan pursuant to the Act and the Project is included within the plan; and

C. It is necessary and in the best interests of the City and its inhabitants that the City construct the Project and defray all or a portion of the cost of the Project by the issuance and sale of the Bonds; and

WHEREAS, the City hereby elects to have the provisions of Chapter 348 of NRS (the "Supplemental Bond Act") apply to the Bonds; and

WHEREAS, there have been filed with the City:

A. the form of a Continuing Disclosure Certificate to be dated as of the date of closing on the Bonds (the "Continuing Disclosure Certificate"); and

B. the form of the preliminary official statement (the "Preliminary Official Statement") for the Bonds; and

WHEREAS, the Board has determined and does hereby declare that each of the limitations and other conditions to the issuance of the Bonds in the Bond Act, and in any other relevant act of the State or the Federal Government, has been met and pursuant to NRS 350.708,

this determination of the Board that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion; and

WHEREAS, the Board has determined and does hereby declare:

- A. This Ordinance pertains to the sale, issuance and payment of the Bonds; and
- B. Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of NRS 350.579(2).

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

ARTICLE I.

SHORT TITLE, DEFINITIONS, INTERPRETATION, RATIFICATION, TRANSMITTAL, REPEALER, SEVERABILITY, PUBLICATION OF ORDINANCE AND EFFECTIVE DATE

Section 101 Short Title. This ordinance shall be known as and may be designated by the short title “2023 Infrastructure Sales Tax Bond Ordinance” (this “Ordinance”).

Section 102 Meanings and Definitions. The terms in this Section defined for all purposes of this Ordinance and of any instrument amendatory hereof or supplemental hereto, and of any other instrument or any other document relating hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

A. “2014 Bonds” means the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2014F.”

B. “Acquire” or “acquisition” means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the United States of America, any agency, instrumentality or corporation thereof, the State of Nevada, any body corporate and politic therein, any corporation, the State, or any person, the endowment, bequest, devise, condemnation, transfer, assignment, option to purchase, other contract, or other acquirement (or any combination thereof) of any project or an interest therein, authorized by the Act.

C. “Annual principal and interest requirements” means the sum of the principal of and interest on the Bonds and any other Outstanding designated securities payable from the Pledged Revenues having a lien thereon on a parity with the lien thereon of the Bonds, to be paid during any Bond Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided. In calculating this amount, the principal amount of bonds required to be redeemed prior to maturity pursuant to a mandatory redemption schedule contained in the resolution, ordinance or other instrument authorizing the issuance of such bonds (e.g., the schedule, if any, set forth in the Certificate of the Chief Financial Officer) shall be treated as maturing in the Bond Year in which such bonds are so required to be redeemed, rather than in the Bond Year in which the stated maturity of such bonds occurs.

D. “Board” means the Board of Supervisors of Carson City, in the State of Nevada, including any successor to the Board.

E. “Bond Act” means NRS 350.500 through 350.720, and all laws amendatory thereof, designated in Section 350.500 thereof as the Local Government Securities Law.

F. “Bond Fund” means the special account designated as the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, Pledged Revenues, Interest and Principal Retirement Fund,” created herein, and required to be accumulated and maintained as set forth herein.

G. “Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, any Parity Securities and any additional bonds or other additional securities payable from the Pledged Revenues and hereafter issued, or such part of such securities or such other securities relating to the Project as may be designated, as such principal, premiums and interest become due at maturity or on a Redemption Date designated in a mandatory redemption schedule, in a notice of prior redemption, or otherwise.

H. “Bonds” means the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023” authorized herein.

I. “Bond Year” for purposes of this Ordinance means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year.

J. “Budget Act” means NRS 354.470 to 354.626, inclusive, and all laws amendatory thereof, designated in Section 354.470 thereof as the Local Government Budget Act.

K. “Chief Financial Officer” means the de jure or de facto Chief Financial Officer of the City or his or her successor in functions, if any.

L. “City” means Carson City, in the State of Nevada, and constituting a political subdivision thereof, or any successor municipal corporation; and where the context so indicates, either such term means the geographical area comprising Carson City.

M. “Clerk-Recorder” means the de jure or de facto clerk of the City, presently the Clerk-Recorder, or his or her successor in functions, if any.

N. “City Treasurer” or “Treasurer” means the de jure or de facto Treasurer of the City, or his or her successor in functions, if any.

O. “Code” means the Carson City Municipal Code.

P. “Combined maximum annual principal and interest requirements” means the greatest of the annual principal and interest requirements, paid during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. Any such computation shall be adjusted as provided in Section 803C hereof, and shall be made by an Independent Accountant, the Chief Financial Officer or the City Treasurer if expressly so required.

Q. “Commercial bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and which is located within the United States and such term includes, without limitation, any “trust bank” as herein defined.

R. “Cost of the Project” means all or any part designated by the City of the cost of the Project, which cost, at the option of the City, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

(a) Preliminary expenses advanced by the City from funds available for use therefor or from any other source, or advanced with the approval of the City from funds available therefor or from any other source by the State, the Federal Government, or by any other Person with the approval of the City (or any combination thereof);

(b) The costs in the making of surveys, audits, preliminary plans, other plans, specifications, estimates of costs, and other preliminaries;

(c) The costs of premiums on builders’ risk insurance and performance bonds, or a reasonably allocable share thereof;

(d) The costs of appraising, printing, estimates, advice, services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help, or other agents or employees;

(e) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and any other securities relating to the Project, and bank fees and expenses;

(f) The costs of contingencies;

(g) The costs of the capitalization with the proceeds of the Bonds of any interest on the bonds or other securities for any period not exceeding the period estimated by the City to effect the Project plus one year, of any discount on the bonds or other securities, and of any reserves for the payment of the principal of and interest on the Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the Bonds or other securities relating to the Project;

(h) The costs of amending any ordinance, resolution or other instrument authorizing the issuance of or otherwise relating to the Outstanding Bonds or other securities relating to the Project;

(i) The costs of funding any emergency loans, construction loans and other temporary loans of not exceeding 10 years relating to the Project and of the incidental expenses incurred in connection with such loans;

(j) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

(k) The costs of demolishing, removing or relocating any buildings, structures or other facilities on land acquired for the Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated; and

(l) All other expenses necessary or desirable and relating to the Project, as estimated or otherwise ascertained by the City.

S. “Events of Default” means the events stated in Section 1103 hereof.

T. “Federal Government” means the United States, or any agency, instrumentality or corporation thereof.

U. “Federal Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

V. “Fiscal Year” means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada legislature changes the statutory fiscal year relating to the City and the Project, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

W. “General Tax Interest Account” means the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, General Tax Interest Account,” created in Section 501 of this Ordinance.

X. “General Tax Principal Account” means the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, General Tax Principal Account,” created in Section 501 of this Ordinance.

Y. “General Taxes” or “Taxes” means general (ad valorem) taxes levied by the City against all taxable property within the boundaries of the City (unless otherwise qualified).

Z. “Hereby,” “herein,” “hereinabove,” “hereinafter,” “hereinbefore,” “hereof,” and any similar term refer to this Ordinance and not solely to the particular portion thereof in which the word is used; “heretofore” means before the adoption of this Ordinance; and “hereafter” means after the adoption of this Ordinance.

AA. “Independent Accountant” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State, as from time to time appointed and compensated by the City on the behalf and in the name of the City:

 (a) Who or which is, in fact, independent and not under the domination of the City;

 (b) Who or which does not have any substantial interest, direct or indirect, with the City, and

 (c) Who or which is not connected with the City as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the City.

BB. “Infrastructure Fund” means the infrastructure fund heretofore established pursuant to the Act and the Sales Tax Ordinance

CC. “Mayor” means the de jure or de facto member of the Board who presides over its meetings and is the head of the government of Carson City, or his or her successor in functions, if any.

DD. “NRS” means Nevada Revised Statutes.

EE. “Newspaper” means a newspaper printed in the English language, published at least once each calendar week.

FF. “Ordinance” or the “2023 Ordinance” means this ordinance authorizing the issuance of the Bonds.

GG. “Outstanding” when used with reference to the Bonds or any other designated securities and as of any particular date means all the Bonds or any such other securities payable from the Pledged Revenues in any manner theretofore and thereupon being executed and delivered:

 (a) Except any Bond or other security canceled by the City, by the Paying Agent or otherwise on the City’s behalf, at or before such date;

 (b) Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay which are on deposit with the Paying Agent;

 (c) Except any Bond or other security for the payment or the redemption of which moneys at least equal to the City’s Bond Requirements to the date of maturity or to any Redemption Date, shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 1001 hereof; and

 (d) Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to Sections 306 or 1209 hereof.

HH. “Owner” or any similar term, when used in conjunction with any Bonds, or any other designated securities, means the registered owner of any Bonds or other security which is registrable for payment if it shall at the time be registered for payment otherwise than to bearer.

II. “Parity Bonds” or “Parity Securities” means bonds or securities which have a lien on the Pledged Revenues which is on a parity with the lien thereon securing the Bonds, including, but not limited to, the 2014 Bonds, to the extent issued in accordance with the terms, conditions and limitations hereof.

JJ. “Paying Agent” means Zions Bancorporation, National Association or any successor thereto as paying agent for the Bonds.

KK. “Person” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other

than the City), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

LL. “Pledged Revenues” means all income and revenue derived by the City from the Sales Tax imposed by the City. The Pledged Revenues means all or a portion of the Pledged Revenues but does not include any amounts determined, pursuant to State law, to be subject to valid claims for refunds or amounts on deposit in the Rebate Account. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. “Pledged Revenues” includes income derived from any additional Sales Tax imposed by the City if the Board elects to include the additional tax in “Pledged Revenues” for the remaining term of the Bonds.

MM. “Purchaser” means the purchaser identified in the Certificate of the Chief Financial Officer.

NN. “Rebate Account” means the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, Rebate Account” created in Section 607 hereof.

OO. “Redemption Date” means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from all or a portion of the Pledged Revenues in any mandatory redemption schedules, or in any notice of prior redemption or otherwise fixed and designated by the City.

PP. “Redemption Price” means, when used with respect to a Bond or other designated security payable from the Pledged Revenues, the principal amount thereof plus accrued interest thereon to the Redemption Date plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security’s terms.

QQ. “Registrar” means Zions Bancorporation, National Association or any successor thereto as registrar for the Bonds.

RR. “Regular Record Date” means the 15th day of the calendar month next preceding each interest payment date.

SS. “Sales Tax” means the tax imposed pursuant to the Act and the Sales Tax Ordinance, upon retailers at the rate of one-eighth of 1 percent of the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed in

the City as set forth in Chapter 21.08 of the Code, less any fees, taxes, interest, and penalties collected during the preceding month pursuant to NRS 377B.130(3)(a), as amended, as compensation to the State for the cost of collecting the Sales Tax. A purchaser is entitled to a refund of the amount of the tax required to be paid that is attributable to the tax imposed on the sale of, and the storage, use or other consumption in the City of, tangible personal property used for the performance of a written contract: (a) entered into on or before the effective date of the Sales Tax or increase in the Sales Tax; or (b) for the construction of an improvement to real property for which a binding bid was submitted before the effective date of the Sales Tax or increase in the Sales Tax if the bid was afterward accepted, if, under the terms of the contract or bid, the contract price or bid amount cannot be adjusted to reflect the imposition of the Sales Tax. The Sales Tax, upon receipt from the State Controller, is to be held by the City in the Infrastructure Fund.

TT. “Sales Tax Ordinance” means the ordinance adopted by the Board on May 1, 2014, relating to the imposition of the Sales Tax pursuant to the Act.

UU. “Special Record Date” means a special date fixed by the Paying Agent to determine the names and addresses of owners of the Bonds for the payment of any defaulted interest on any of the Bonds, as further provided herein. At least 10 days’ notice will be given by the Paying Agent to each owner of a Bond as stated on the Registrar’s registration list at the close of business on a date fixed by the Paying Agent, stating the date of the Special Record Date and the due date fixed for the payment of such defaulted interest.

VV. “State” means the State of Nevada, in the United States and where the context so indicates, “State” means the geographical area comprising the State of Nevada.

WW. “Subordinate Bonds” or “Subordinate Securities” means bonds or securities which have a lien on the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds and any Parity Securities, to the extent issued in accordance with the terms, conditions and limitations hereof.

XX. “Superior Bonds” or “Superior Securities” means bonds or securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds and any Parity Securities, to the extent issued in accordance with the terms, conditions and limitations hereof.

YY. “Tax Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds.

ZZ. “Taxes” means General Taxes.

AAA. “Trust bank” means a “commercial bank,” as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

Section 103 Construction. This Ordinance, except where the context by clear implication herein otherwise requires, shall be construed as follows:

A. Words in the singular number include the plural, and words in the plural include the singular.

B. Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

C. The titles and headlines applied to articles, sections, subsections and paragraphs of this Ordinance are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Ordinance.

D. Any securities payable from all or a portion of the Pledged Revenues and held by the City shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for other purposes provided herein.

Section 104 Successors. Whenever herein the City is named or is referred to, such provision shall be deemed to include any successors of the City, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the City contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agent, bureau or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the City or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 105 Parties Interested Herein. Except as herein otherwise expressly provided, nothing herein expressed or implied confers upon or gives to any Person (other than the Paying Agent, the owners from time to time of the Bonds, and the owners of any other securities payable from Pledged Revenues when reference is expressly made thereto, as well as the City any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the

City shall be for the sole and exclusive benefit of the City, the Paying Agent, any owner of any Bonds and any owner of any such other security in the event of such a reference.

Section 106 Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the City, the officers of the City, and otherwise by the City directed:

- A. Project. Toward the Project,
- B. Sales Taxes. Toward the levy and collection of the Sales Tax pursuant to the Act and the Sales Tax Ordinance for repayment of the Bonds, and
- C. Bonds. Toward the sale of the Bonds to the Purchaser for that purpose, hereby is ratified, approved and confirmed.

Section 107 Transmittal of Ordinance. The Clerk-Recorder is hereby authorized, instructed and directed to transmit a certified copy of this Ordinance to the City Treasurer.

Section 108 Ordinance Irrepealable. After any of the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the owner or owners of the Bonds; and this Ordinance shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged as herein provided.

Section 109 Repealer. All ordinances, resolutions, bylaws and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw or order, or part hereof, heretofore repealed.

Section 110 Publication of Proposed Ordinance. When first proposed this Ordinance must be read to the Board by title, after which an adequate number of copies of this Ordinance must be filed with the Clerk-Recorder for public distribution. Notice of the filing must be published once in a newspaper published and having general circulation in the City at least 10 days before the adoption of the Ordinance, such publication to be in substantially the following form:

(Form of Publication of Notice of Filing of an Ordinance)

BILL NO. 101
ORDINANCE NO. _____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA AUTHORIZING THE ISSUANCE OF ITS “CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) INFRASTRUCTURE SALES TAX BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2023” FOR THE PURPOSE OF FINANCING CERTAIN INFRASTRUCTURE PROJECTS SET FORTH IN NRS 377B.160(3); PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, AND THE GENERAL TAX PROCEEDS AND THE REVENUES PLEDGED FOR THE PAYMENT OF SUCH BONDS; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.

PUBLIC NOTICE IS HEREBY GIVEN that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance are available for public inspection and distribution at the office of the Clerk-Recorder of Carson City at 885 East Musser Street, Suite 1028, Carson City, Nevada and that such Ordinance was proposed on January 19, 2023, and will be considered for adoption at the regular meeting of the Board of Supervisors of Carson City held on February 2, 2023.

/s/ William Scott Hoen
Clerk-Recorder

Section 111 Publication and Effective Date. After this Ordinance is signed by the Mayor and attested and sealed by the Clerk-Recorder, it is the intent of the Board that this Ordinance shall be in effect from and after its publication once by its title only, together with the names of the members of the Board voting for or against its passage and a statement that typewritten copies of this Ordinance are available for inspection by all interested parties at the offices of the Clerk-Recorder. Such publication shall be made in the Nevada Appeal, a newspaper published and having a general circulation in the City, and such publication to be in substantially the following form:

(Form of Publication of Adoption of Ordinance)

BILL NO. 101
ORDINANCE NO. _____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA AUTHORIZING THE ISSUANCE OF ITS "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) INFRASTRUCTURE SALES TAX BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2023" FOR THE PURPOSE OF FINANCING CERTAIN INFRASTRUCTURE PROJECTS SET FORTH IN NRS 377B.160(3); PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, AND THE GENERAL TAX PROCEEDS AND THE REVENUES PLEDGED FOR THE PAYMENT OF SUCH BONDS; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.

PUBLIC NOTICE IS HEREBY GIVEN that the above entitled Ordinance was proposed by Supervisor _____ at the regular meeting of the Carson City Board of Supervisors held on January 19, 2023, and was passed and adopted at the regular meeting of the Carson City Board of Supervisors held on February 2, 2023 by the following vote of the Board of Supervisors:

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

This Ordinance shall be in full force and effect from and after February __, 2023, i.e., the date of publication of this Ordinance by its title only.

IN WITNESS WHEREOF, the Board of Supervisors of Carson City, Nevada has caused this Ordinance to be published by title only.

DATED this February 2, 2023.

/s/ Lori Bagwell
Mayor

Attest:

/s/ William Scott Hoen

Clerk-Recorder

(End of Form of Publication)

Section 112 Severability. If any section, paragraph, clause or provision of this Ordinance 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 Ordinance.

ARTICLE II.

CITY'S DETERMINATIONS, AUTHORITY FOR AND AUTHORIZATION OF PROJECT, NECESSITY OF PROJECT AND BONDS, PROJECT COST, AND OBLIGATION OF CITY

Section 201 Authority for this Ordinance. This Ordinance is adopted by virtue of the Act, the Bond Act and the Supplemental Bond Act and pursuant to their provisions; and the City has ascertained and hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effectuate the purposes of the City in accordance with the Act and the Bond Act, and as provided in NRS 350.708 all limitations in the Bond Act imposed upon the issuance of bonds or other securities thereunder, have been met.

Section 202 Life of the Project. The City has determined and does hereby declare:

A. Estimated Life. The estimated life or estimated period of usefulness of the Project to be acquired with the proceeds of the Bonds is not less than 15 years; and

B. Bond Term. The Bonds shall mature at times not exceeding such estimated life or estimated period of usefulness.

Section 203 Necessity of Project and Bonds. It is necessary and for the best interests of the City and the inhabitants thereof that the City effect the Project and defray the cost thereof by issuing the Bonds therefor; and it is hereby so determined and declared.

Section 204 Acceptance of Bids; Authorization of Use of Official Statement. The Chief Financial Officer or the City Manager is authorized to execute the Bond Purchase Proposal for the Bonds submitted by the Purchaser. The preliminary official statement concerning the Bonds (the "Preliminary Official Statement") in substantially the form now on file with the City, with such amendments, additions and deletions as are consistent with the facts and not inconsistent herewith, is hereby authorized and the Chief Financial Officer, or in her absence the City Manager, is hereby authorized to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The distribution of the Preliminary Official Statement to prospective purchasers of the Bonds is hereby approved and authorized. The preparation of a final official statement in substantially the form of the Preliminary Official Statement with such amendments as the Chief Financial Officer or the City Manager shall approve (the "Official Statement") and the distribution of the Official Statement are hereby authorized,

directed and approved. The Chief Financial Officer or the City Manager is hereby authorized and directed to affix her signature to the Official Statement for and on behalf of the Board.

Section 205 Authorization of Project. The City does hereby determine to proceed with the acquisition of the Project and is hereby so authorized.

Section 206 Estimated Cost of Project. The cost of the Project is estimated not to exceed the principal amount of the Bonds, excluding any such cost defrayed or to be defrayed by any source other than the proceeds of the Bonds.

Section 207 Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 208 General Obligations. The full faith and credit of the City are hereby pledged to the payment of the Bond Requirements of the Bonds and they shall constitute general obligations of the City and shall be payable from General Taxes on all taxable property within the City (except to the extent any Pledged Revenues or other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State.

Section 209 Additional Security. The payment of the Bond Requirements of the Bonds is additionally secured by an irrevocable pledge of and by a lien (but not necessarily an exclusive lien) on the Pledged Revenues.

Section 210 No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except the proceeds of General Taxes, the Pledged Revenues, and any other moneys pledged for the payment of the Bonds. No property of the City, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Bonds.

Section 211 No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the City, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any

constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released.

ARTICLE III.

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301 Authorization of Bonds. The “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023,” in the aggregate principal amount set forth in the Certificate of the Chief Financial Officer (such principal amount not to exceed \$5,550,000), are hereby authorized to be issued pursuant to the Act, the Bond Act and the Supplemental Bond Act; and the City pledges irrevocably, but not necessarily exclusively, the Pledged Revenues to the payment of the Bond Requirements of the Bonds, the proceeds of the Bonds to be used solely to defray wholly or in part the cost of the Project.

Section 302 Bond Details. The Bonds shall be issued payable in fully registered form, i.e., registered as to both principal and interest. The Bonds shall be dated as of the date of delivery of the Bonds. Except as provided in Section 307 hereof, the Bonds shall be issued in the denominations of \$5,000 and any integral multiples thereof (but no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual Bond will be issued for more than one maturity). The Bonds shall bear interest (calculated on the basis of a 360 day year consisting of twelve 30 day months) at the rates shown below in the Certificate of the Chief Financial Officer from their date until their respective fixed maturity dates, payable on September 1 and March 1 of each year, commencing on September 1, 2023, except that Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown in the Certificate of the Chief Financial Officer from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of, the Bonds. The Bonds shall bear interest at the rates and mature on the designated dates and in each of the designated amounts of principal as set forth in the Certificate of the Chief Financial Officer.

The principal of and redemption premium, if any, on any Bond, shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent or

at such other office as designated by the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by the Bond until the principal thereof is paid in full. Except as provided in Section 307 hereof, payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at his or her address as shown on the registration records kept by the Registrar at the close of business on the Regular Record Date for such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds, as shown on the Registrar's registration records on a date selected by the Registrar, not less than 10 days prior thereto, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed upon between the owner of such Bond and the Paying Agent. All such payments shall be made in lawful money of the United States of America.

Section 303 Prior Redemption.

A. Optional Redemption. Bonds, or portions thereof, maturing on the date or dates set forth in the Certificate of the Chief Financial Officer shall be subject to redemption prior to their respective maturities, at the option of the City in the name and on behalf of the City, on and after the date set forth in the Certificate of the Chief Financial Officer, in whole at any time or in part at any time, from such maturities as are selected by the City, and if less than all of the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be redeemed by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), in such manner as the Paying Agent may determine, for the principal amount of each Bond or portion thereof so redeemed, plus accrued interest thereon to the redemption date.

B. Mandatory Redemption. The Bond or Bonds maturing on the date or dates set forth in the Certificate of the Chief Financial Officer (the "Term Bonds") are subject to

mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As and for a sinking fund for the redemption of the Term Bonds, there shall be deposited into the Bond Fund on or before the dates set forth in the Certificate of the Chief Financial Officer, a sum which, together with other moneys available in the Bond Fund, is sufficient to redeem (after credit is provided below) on the dates and in the principal amounts of the Term Bonds as set forth in the Certificate of the Chief Financial Officer plus accrued interest to the redemption date. The remaining principal amount of Term Bonds shall be paid upon presentation and surrender at maturity unless redeemed pursuant to optional redemption prior to maturity.

Not more than sixty days nor less than thirty days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all Outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next principal payment date, and give notice of such call as provided in Section 304 of this Ordinance.

At the option of the City to be executed upon delivery of a written certificate to the Registrar not less than sixty days next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the City or, (ii) specify a principal amount of Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portions thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the City determines. In the event the City shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accomplished by the respective Term Bonds or portions thereof to be cancelled or in the event the Bonds are registered in the name of Cede &

Co. as provided in Section 307 of this Ordinance, the certificate required by the first sentence of this paragraph shall be accompanied by such direction and evidence of ownership as is satisfactory to The Depository Trust Company.

C. Partial Redemption. If any Bond is in a denomination larger than \$5,000, a portion of such Bond (\$5,000 of principal amount thereof, or any integral thereof) may be redeemed pursuant to subsection A or B hereof, as appropriate, in which case the Registrar, except as provided in Section 307 hereof, shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. In the case of a partial redemption of Bonds of a single maturity pursuant to subsection A or B hereof, the Paying Agent shall select the Bonds to be redeemed by lot at such time as directed by the City (but at least 30 days prior to the redemption date), and if such selection is more than 60 days before a redemption date, shall direct the Registrar to appropriately identify the Bonds so called for redemption by stamping them at the time any Bond so selected for redemption is presented to the Registrar for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Registrar and any Bond or Bonds issued in exchange for, or to replace, any Bond so called for prior redemption shall likewise be stamped or otherwise identified.

Section 304 Redemption Notice. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, electronically as long as the nominee of The Depository Trust Company or a successor depository is the registered owner of the Bonds, and otherwise by first class mail, at least 30 days but not more than 60 days prior to the Redemption Date to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System (the “MSRB”) and to the registered owner of any Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his or her address as it last appears on the registration records kept by the Registrar. The notice shall identify the Bonds and state that on such date the principal amount thereof, and premium, if any, thereon will become due and payable at the office designated by the Paying Agent, and that after such Redemption Date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of notice by the MSRB or any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the MSRB or the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate

by the Registrar that notice of call and redemption has been given as provided in this Section shall be conclusive as against all parties; and no owner whose Bond is called for redemption or any other owner of any Bond may object thereto or may object to the cessation of interest on the Redemption Date on the ground that he failed actually to receive such notice of redemption.

Notwithstanding the provisions of this Section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds.

Section 305 Negotiability. Subject to Section 307 hereof and to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each owner shall possess all rights enjoyed by owners of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 306 Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 307 hereof:

A. Registration and Transfer. Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount or value at maturity, as the case may be, and of the same maturity bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount or value at maturity, as the case may be, of Bonds of the same maturity of other authorized denominations, as provided in Section 302 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the owner thereof, the City or the Registrar may make a sufficient charge to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of

preparing and authenticating each new Bond. No such charge shall be levied in the case of an exchange resulting from an optional or mandatory prior redemption of a Bond.

B. Limitations upon Registration. The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day the Registrar gives notice of prior redemption of the Bonds and ending at the close of business on the day such notice is given, or (ii) any Bond after notice is given calling such Bond or any portion thereof for redemption as herein provided.

C. Effect of Registration. The person in whose name any Bond shall be registered, in the registration records kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof (except to the extent otherwise provided in Section 302 hereof with respect to interest payments) and for all other purposes; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitation provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Replacement of Bond. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it, the Registrar, or the City on the behalf and in the name of the City, may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

E. Cancellation of Bond upon Payment or Reissuance. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City Treasurer and the City, upon request.

Section 307 Custodial Deposit.

A. Notwithstanding the foregoing provisions of Sections 302 to 306 hereof, the Bonds shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year, or in the case of Bonds subject to mandatory sinking fund redemption, the Bonds shall initially be evidenced by one Bond for each term in denominations equal to the aggregate principal amount of the Bonds maturing in that term. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

- (1) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in NRS 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or
- (2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this subsection A, or a determination by the City that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the City of another depository institution acceptable to the City and to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in NRS 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or
- (3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this subsection A, or a determination of the City that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the City, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of subsection A hereof or designation of a new depository pursuant to clause (2) of subsection A hereof, upon receipt of the Bonds by the Registrar, together

with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of subsection A hereof, and upon receipt of the Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 302 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The City, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the City, the Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to subsection A hereof.

D. The City, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of subsection A hereof in effectuating payment of the Bond Requirements of the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Upon any partial redemption of any maturity of the Bonds, Cede & Co. (or its successor), in its discretion may request the City to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment.

Section 308 Execution of Bonds. The Bonds shall be executed as follows:

A. Filings with Secretary of State. Pursuant to the Bond Act and to the act cited as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351 of NRS,

and prior to the execution of any Bonds by facsimile signature the Mayor, the Clerk-Recorder, and the City Treasurer shall each file with the Secretary of State of the State his or her manual signature certified by him or her under oath.

B. Manner of Execution. Each Bond shall be approved, signed and executed in the name of and on behalf of the City with the manual or facsimile of the signature of the Mayor and shall be countersigned and executed with the manual or facsimile of the signature of the City Treasurer and shall be authenticated with the manual or facsimile impression of the official seal of the City and shall be signed, executed, and attested with such a manual or facsimile signature of the Clerk-Recorder.

C. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds delivered pursuant to the Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this ordinance.

Section 309 Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City, notwithstanding that before the delivery thereof and the payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Each of the Mayor, the City Treasurer and Clerk-Recorder, at the time of the execution of the Bonds and of a signature certificate pertaining thereto by the Mayor, the City Treasurer and the Clerk-Recorder, respectively, may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 310 Incontestable Recital in Bonds. Pursuant to NRS 350.628, each Bond shall recite that it is issued pursuant to the Act, to the Bond Act, and to the Supplemental Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 311 State Tax Exemption. Pursuant to NRS 350.710, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

Section 312 Bond Execution. The Mayor, the City Treasurer and the Clerk-Recorder are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

Section 313 Bond Delivery. After such registration of the Bonds by the Treasurer and Registrar pursuant to Section 306 and after their execution and authentication pursuant to Section 308 and other provisions herein supplemental thereto, the City Treasurer shall cause the Bonds to be delivered to the Purchaser thereof, upon payment being made therefor on the terms of the sale of the Bonds.

Section 314 Bond Form. Subject to the provisions of this Ordinance, each Bond shall be in substantially the following form, with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of the Bond)

**TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT
EFFECTIVE**

**CARSON CITY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
INFRASTRUCTURE SALES TAX BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2023**

NO. _____ \$ _____

<u>Interest Rate</u> ____ % per	<u>Maturity Date</u> ____ 1, ____	<u>Dated As Of</u> ____	<u>CUSIP</u>
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REGISTERED OWNER: **CEDE & CO. **

PRINCIPAL AMOUNT: _____ DOLLARS

Carson City in the State of Nevada (the "City" and the "State", respectively), for value received hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above the Principal Amount specified above, on the Maturity Date specified above (unless called for earlier redemption), and to pay interest thereon on March 1 and September 1 of each year commencing on September 1, 2023, at the Interest Rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. The principal of and redemption premium, if any, on this Bond are payable to the Registered Owner hereof upon presentation and surrender hereof at the corporate trust office of Zions Bancorporation, National Association, as paying agent for the Bonds (the "Paying Agent") or such other office designated by the Paying Agent. Zions Bancorporation, National Association is also now acting as the City's registrar for the Bonds (the "Registrar"). Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed to the person in whose name this Bond is registered (the "Registered Owner") in the registration records of the City maintained by the Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Paying Agent for the Bonds whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds of the series of which this is one (the "Bonds") not less than ten days prior thereto. All payments of the principal of, interest on and redemption premiums due in connection with this Bond (the "Bond Requirements") shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent. Alternative means of payment of interest

may be used if mutually agreed to by the registered owner and Paying Agent as provided in the ordinance of the City designated by the short title “2023 Infrastructure Sales Tax Bond Ordinance” adopted and approved on February 2, 2023 authorizing the issuance of the Bonds (the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Ordinance.

The Bonds are issuable solely as fully registered Bonds in denominations of \$5,000 each or any integral multiple thereof. The Bonds are exchangeable for fully registered Bonds of the same maturity in equal aggregate principal amounts or appreciated principal amounts at maturity and in authorized denominations at the aforesaid office of the Paying Agent and Registrar but only in the manner, subject to the limitations, and on payment of the charges provided in the Ordinance.

The Registrar will not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day the Registrar gives notice of prior redemption of the Bonds and ending at the close of business on the day such notice is given, or (ii) any Bond after notice is given calling such Bond or any portion thereof for prior redemption.

The Bonds shall not be transferable or exchangeable, except as set forth in the Ordinance.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[Bonds maturing on and after _____ 1, 20__ are subject to prior redemption on and after _____ 1, 20__ in whole at any time or in part at any time, from such maturities as are selected by the City, and if less than all of the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be redeemed by lot within a maturity, in integral multiples of \$5,000, at the option of the City, at a price equal to the principal amount of each Bond or portion thereof so redeemed, accrued interest thereon to the redemption date.]

Certain of the Bonds shall be subject to mandatory sinking fund redemption as provided in the Certificate of the Chief Financial Officer.

In the case of Bonds of a denomination larger than \$5,000, a portion of such Bonds (\$5,000 of the principal amount thereof, or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. Redemption shall be made upon not less than thirty (30) days’ prior notice as provided in the Ordinance.

Upon any partial prior redemption of this Bond, Cede & Co., in its discretion, may request the Registrar to authenticate a new Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Paying Agent prior to payment.

This Bond must be registered in the name of the Registered Owner as to both principal and interest on the registration records kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Ordinance. No transfer of this Bond shall be valid unless made on the registration records maintained at the corporate trust office of the Registrar by the Registered Owner or his attorney duly authorized in writing.

The City and the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the Ordinance with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes and the City and Paying Agent and Registrar shall be not affected by notice to the contrary.

The Bonds are issued by the City on the behalf and in the name of the City and upon the credit thereof, for the purpose of defraying, wholly or in part, the cost of the Project (as defined in the Ordinance) under the authority of and in full compliance with the Constitution and laws of the State and pursuant to the Ordinance.

It is hereby certified, recited and warranted that the total indebtedness of the City, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State; that provision has been made for the levy and collection of annual general (ad valorem) taxes ("General Taxes") sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the Bond Requirements according to the terms of this Bond.

The payment of the Bonds, as to all Bond Requirements, is additionally secured by an irrevocable pledge of Pledged Revenues (as defined in the Ordinance). Payment of the Bond Requirements due in connection with the Bonds may be made from and as security for such payment there is irrevocably and exclusively pledged, pursuant to the Ordinance, a special account thereby created and identified as the "Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, Pledged Revenues, Interest and Principal Retirement Fund," into which account the City covenants to pay from the Pledged Revenues sums sufficient to pay when due the Bond Requirements of the Bonds, except to the extent other moneys are available therefor.

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and the Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with the lien thereon of any Parity Securities (as defined in the

Ordinance) outstanding or hereafter issued. Bonds and other securities, in addition to the Bonds and the Parity Securities, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon on a parity with or superior to the lien of the Bonds and the Parity Securities, in accordance with the provisions of the Ordinance.

The City covenants and agrees with the owner of this Bond and with each and every person who may become the owner hereof that it will keep and will perform all of the covenants of the Ordinance.

Reference is made to the Ordinance, and to any and all modifications and amendments thereof, to Nevada Revised Statutes (“NRS”) Chapter 377B, and all laws amendatory thereof (the “Act”), to a supplemental act cited as NRS 350.500 through 350.720, and all laws amendatory thereof, designated in Section 350.500 thereof as the “Local Government Securities Law,” to Chapter 348 of NRS (the “Supplemental Bond Act”), and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the Pledged Revenues, the General Taxes, accounts, funds and revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights and remedies of the owners of the Bonds.

The Bonds are issued pursuant to the Act, the Local Government Securities Law, and the Supplemental Bond Act, and pursuant to NRS 350.628 of Local Government Securities Law, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 350.710 of Local Government Securities Law, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance or any instrument amendatory thereof or supplemental thereto may be modified or amended by action of the City taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of revenues and other obligations of the City under the Ordinance may be discharged at or prior to the respective maturities of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, particularly under the terms and provisions of the Act, the Local Government Securities Law, the Supplemental Bond Act, and all laws supplemental thereto, and with the Ordinance; and that this Bond does not contravene any constitutional or statutory limitation.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise upon the Ordinance or other instrument relating thereto, against any individual member of the Board of Supervisors of the City or any officer or

other agent of the City, past, present or future, either directly or indirectly through such Board or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until a manual signature of a duly authorized officer of the Registrar has been affixed on the certificate of authentication hereon.

IN WITNESS WHEREOF, the City has caused this Bond to be signed and executed in its name and upon its behalf with the manual or facsimile signature of the Mayor of the City, to be countersigned and executed with the manual or facsimile signature of the City Treasurer and has caused a manual impression or a facsimile of the seal of the City to be affixed hereon; and has caused this Bond to be signed, executed and attested with the manual or facsimile signature of the Clerk-Recorder, all as of _____, 2023.

CARSON CITY, NEVADA

(Manual or Facsimile Signature)
Mayor

Countersigned:

(Manual or Facsimile Signature)
City Treasurer

(Manual or Facsimile Seal)

Attest:

(Manual or Facsimile Signature)
Clerk-Recorder

- * Insert only if Bonds are delivered pursuant to Section 307(A)(3) of this Ordinance.
- ** Insert only if Bonds are initially delivered to the Depository Trust Company pursuant to Section 307(A) of this Ordinance.
- *** Insert only if the Certificate of the Chief Financial Officer designates any of the Bonds as Term Bonds.

(End of Form of the Bond)

(Form of Certificate of Authentication for Bonds)

Date of authentication and registration: _____

This is one of the Bonds described in the within-mentioned Ordinance, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

Zions Bancorporation, National Association,
as Registrar

By: (Manual Signature)

Authorized Officer

(End of Form of Certificate of Authentication for Bonds)

STATEMENT OF INSURANCE

(insert statement of insurance if applicable)

(Form of Prepayment Panel)

The following installments of principal (or portions thereof) of this Bond have been prepaid by the City, in accordance with the terms of the Ordinance authorizing the issuance of this Bond.

Date of Prepayment

Principal

Signature of Authorized
Representative of DTC

(End of Form of Prepayment Panel)

(Form of Assignment for Bonds)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the records kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Name of Transferee:

Address of Transferee:

Social Security or other tax
identification number of
Transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. Signature(s) must be guaranteed by an eligible guarantor institution as defined in 17 CFR 240.17Ad-15(a)(2).

(End of Form of Assignment for Bonds)

ARTICLE IV.

USE OF BOND PROCEEDS

Section 401 Disposition of Bond Proceeds. The proceeds of the Bonds upon the receipt thereof at any time or from time to time, shall be credited to a separate account hereby created and to be known as the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, Project and Acquisition Account” (the “Acquisition Account”) and shall be applied solely to defray the Cost of the Project including, but not limited to, the costs of issuing the Bonds and any premium for insuring the Bonds, which the Board hereby determines are necessary and desirable and pertain to the Project. After the payment of such costs, any unexpended moneys remaining in the Acquisition Account shall be deposited into the Bond Fund for the payment of the principal of the Bonds as the same becomes due.

Section 402 Moneys for Project. All moneys received and held by the City for the Project from all sources, including, without limitation, the Bond proceeds deposited therein and any surplus Pledged Revenues appropriated by the City for that purpose shall be deposited in the Acquisition Account and except as herein otherwise expressly provided, shall be used and paid out solely for the purpose of defraying the Cost of the Project, including, without limitation, the costs of issuing the Bonds.

Section 403 Modifications in Project. The City reserves the right to make alterations, amendments, additions to and deletions from the Project before the withdrawal of all moneys accounted for in the Acquisition Account, hereinabove created in Section 401 hereof.

Section 404 Prevention of Bond Default. The City Treasurer shall use any Bond proceeds credited to the Acquisition Account without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys in the Bond Fund or otherwise available therefor are insufficient for that purpose, unless the Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The City Treasurer shall promptly notify the Board of any such use. Any moneys so used shall be restored to the Acquisition Account, from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 604 through 607 hereof.

Section 405 Completion of Project. When any amounts in the Acquisition Account are no longer needed to pay the cost of the Project, upon the direction of the Chief Financial Officer, the City Treasurer shall cause to be transferred to the Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, Interest and Principal Retirement Fund (the “Bond Fund”) all surplus moneys remaining in the Acquisition Account, if any, except for any moneys designated by the Chief Financial Officer to be retained to pay any unpaid accrued costs or contingent obligations and the sums so transferred shall be applied to the payment of the principal and interest due on the Bonds. Nothing herein:

A. Periodic Transfers. Prevents the City Treasurer from causing to be transferred from the Acquisition Account to the Bond Fund any moneys which will not be necessary for the Project; nor

B. Limitations upon Transfers. Requires the transfer to the Bond Fund from the Acquisition Account of any moneys in the Acquisition Account derived from a source other than Bond proceeds.

Section 406 Purchaser Not Responsible. The validity of the Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project, or any part thereof, or to the completion of the Project. The Purchaser of the Bonds, any associate thereof, and any subsequent owner of any Bonds shall in no manner be responsible for the application or disposal by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 407 Lien on Bond Proceeds. Until proceeds of the Bonds are applied as hereinabove provided, the Bond proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the owners of the Bonds from time to time as provided in Section 601 hereof.

Section 408 Payment of Bonds. The City covenants and agrees with each and every owner that the City will make the principal and interest payments on the Bonds at the place, on the dates and in the manner specified according to the true intent and meaning hereof.

ARTICLE V.

GENERAL TAXES

Section 501 General Tax Levies. So far as possible, the Bond Requirements of the Bonds shall be paid from Pledged Revenues. However, pursuant to NRS 350.596, the principal and interest falling due on the Bonds at any time when there are not on hand from the Pledged Revenues sufficient funds to pay the same shall be promptly paid when due out of the general fund of the City or out of any other funds that may be available for such purpose, including, without limitation, any proceeds of General Taxes. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available without replacement for the payment of such Bond Requirements on other than a temporary basis) and for the purpose of creating funds for the payment of the Bond Requirements, there are hereby created the separate and special accounts known respectively as the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, General Tax Principal Account” and as the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, General Tax Interest Account.” Pursuant to NRS 350.592 and 350.594, there shall be duly levied immediately after the issuance of the Bonds and annually thereafter, until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the City fully sufficient together with the revenue which will result from the application of the rate to the net proceeds of minerals to reimburse such fund for any such amounts temporarily advanced to pay such initial installments of principal and interest, and to pay the interest on the Bonds becoming due after such initial installment, and to pay, retire and redeem the Bonds as they thereafter become due at maturity as herein provided, after there are made due allowances for probable delinquencies. The proceeds of such annual levies shall be duly credited to such separate accounts for the payment of such Bond Requirements, including any mandatory sinking fund payments pursuant to Section 303B hereof, if any. In the preparation of the annual budget or appropriation resolution or ordinance for the City, the Board shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the City, including, without limitation, the Bonds, subject to the limitations imposed by

NRS 361.453 and Section 2, Article 10, State Constitution, and the amount of money necessary for this purpose shall be a first charge against all legally available revenues received by the City.

Section 502 Priorities for Bonds. As provided in NRS 361.463, in any year in which the total General Taxes levied against the property in the City by all overlapping units within the boundaries of the City exceeds the limitation imposed by NRS 361.453, or a lesser or greater amount fixed by the State Board of Examiners in any fiscal year, and it becomes necessary for that reason to reduce the levies made by any of those units, the reductions so made shall be in General Taxes levied by such unit or units (including, without limitation, the City and the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The General Taxes levied for the payment of such bonded indebtedness and the interest thereon shall always enjoy a priority over General Taxes levied by each such unit (including, without limitation, the City and the State) for all other purposes where reduction is necessary in order to comply with the limitation of NRS 361.453.

Section 503 Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other General Taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept by the Treasurer in the General Tax Principal Account and in the General Tax Interest Account, which shall be used for no other purpose than the payment of principal of and interest on the Bonds and any other Parity Securities hereinafter issued in accordance with Section 803 hereof, respectively, as the same fall due.

Section 504 Use of General Fund. Any sums becoming due on the Bonds at any time when there are on hand from such tax levy or levies (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the City, reimbursement to be made for such general funds in the amounts so advanced when the Taxes herein provided for have been collected, pursuant to NRS 350.596.

Section 505 Use of Other Funds. Nothing herein prevents the City from applying any funds (other than General Taxes) that may be available for that purpose to the payment of such interest or principal, as the same respectively mature, including, without limitation, the payment of the Bonds as provided in Section 604 hereof and elsewhere herein, and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 350.598.

Section 506 Legislative Duties. In accordance with NRS 350.592 and NRS 361.463, it shall be the duty of the City annually, at the time and in the manner provided by law for levying other General Taxes of the City, if such action shall be necessary to effectuate the provisions of this Ordinance, to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the City shall require the officers of the City to levy, extend and collect such General Taxes in the manner provided by law for the purpose of creating funds for the payment of the principal of the Bonds and interest thereon. Such General Taxes when collected shall be kept for and applied only to the payment of the principal of and the interest on the Bonds, as hereinbefore provided.

Section 507 Appropriation of General Taxes. In accordance with NRS 350.602, there is hereby specially appropriated the proceeds of the General Taxes to the payment of such principal and interest, and such appropriations shall not be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the Bond Requirements of the Bonds, have been wholly paid.

ARTICLE VI.

ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 601 Pledge Securing Bonds. Subject only to the right of the City to cause amounts to be withdrawn to pay the Cost of the Project as provided herein, the Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any account under this article or under Section 401 hereof, excluding those funds held in the Rebate Account, are hereby pledged to secure the payment of the Bond Requirements of the Bonds. This pledge shall be valid and binding from and after the date of the first delivery of any Bonds, and the moneys, as received by the City and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the City, except for any Outstanding Parity Securities and securities hereafter authorized the liens of which the Pledged Revenues are on a parity with or superior to the lien thereon of the Bonds. The lien of this pledge for the Bonds is on a parity with the lien of the pledge of the Pledged Revenues for the Parity Securities. The Bonds and the Parity Securities shall be equally and ratably secured by the pledge of the Pledged Revenues hereunder, and the Bonds and the Parity Securities are not entitled to any priority one over the other in the application of Pledged Revenues. The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 602 Infrastructure Fund Deposits. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the entire Pledged Revenues, pursuant to the Act and the Sales Tax Ordinance, except for amounts refunded to taxpayers or withheld by the State as provided in the Act and the Sales Tax Ordinance, shall be set aside upon the receipt of such revenues by the City and credited to the special account in the treasury of the City heretofore established pursuant to the Act and designated as the Infrastructure Fund.

Section 603 Administration of the Infrastructure Fund. So long as any of the Bonds hereby authorized shall be Outstanding, as to any Bond Requirements, the payments shall be made from the Infrastructure Fund as provided in Sections 604 through Section 608 hereof.

Section 604 Bond Fund Payments. First, from any moneys in the Infrastructure Fund, i.e., the Pledged Revenues, the following transfers shall be credited to the Bond Fund

concurrently with transfers to any bond funds to pay the bond requirements of any Parity Securities outstanding or hereafter issued, but after any transfers to bond funds, rebate accounts and reserve funds for any Superior Securities hereafter issued:

A. Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds and any Parity Securities outstanding or hereafter issued, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source including, but not limited to, those funds transferred from the Infrastructure Fund, to pay the next maturing installment of interest on the Bonds then Outstanding.

B. Monthly, commencing on the first day of the month immediately succeeding delivery of any of the Bonds and any Parity Securities outstanding or hereafter issued, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source including, but not limited to, those funds transferred from the Infrastructure Fund, to pay the next installment of principal of the Bonds coming due at maturity or prior to maturity as provided in Section 303B of this Ordinance. The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due, including any mandatory sinking fund payments pursuant to Section 303B hereof, if any.

Section 605 Termination of Deposits. No payment need be made into the Bond Fund if the amount in the Bond Fund totals a sum at least equal to the entire amount of the Bonds then Outstanding as to all Bond Requirements, to their respective maturities, and both accrued and not accrued, in which case moneys in that account in an amount at least equal to such Bond Requirements shall be used solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in the Bond Fund and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the City.

Section 606 Payment of Additional Securities. Second, and subject to the provisions hereinabove in this Article, prior to, concurrently with or subsequent to the payments required by Section 604 hereof, as provided in Article VIII hereof, any moneys remaining in the Infrastructure Fund may be used by the City for the payment of Bond Requirements of any Parity Securities, and additional bonds or other additional securities payable from the Pledged Revenues and hereafter authorized to be issued in accordance with Article VIII and any other provisions

herein supplemental thereto, including reasonable reserves for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities shall be superior to, on a parity with or subordinate to the lien and pledge of the Bonds and any Parity Securities as herein provided. Payments for bond and reserve funds for Superior Securities shall be made prior to the payments required by Section 604 hereof. Payments for bond and reserve funds for Parity Securities shall be made concurrently with the payments required by Section 604 hereof. Payments for bond and reserve funds for additional Subordinate Securities shall be made after the payments required by Section 604 hereof.

Section 607 Payment of Rebate. Third, subject to the provisions hereinabove in this Article and concurrently with the transfers to any rebate funds for Outstanding Parity Securities required by the ordinances authorizing the issuance of such Parity Securities (but subsequent to transfers to any rebate funds for any Superior Securities), there shall be transferred into the “Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, Rebate Account,” hereby created, after making in full the monthly deposits required by Sections 604 through 606 hereof, but prior to the transfer of any Pledged Revenues to the payment of Subordinate Securities, such amounts as are required to be deposited therein to meet the City’s obligations under the covenant contained in Section 917 hereof, in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein by Section 917 hereof and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose of the City.

Section 608 Use of Remaining Revenues. After the payments hereinabove required to be made by Sections 604 through 607 hereof, any remaining Pledged Revenues in the Infrastructure Fund may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Bond Fund and to each other security fund, if any, for the payment of any other securities payable from the Pledged Revenues all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided in this Article, for any one or any combination of lawful purposes of the City as the City may from time to time determine, including, without limitation, for the payment of any Bond Requirements

of any bonds or other securities relating to the Project, general obligations or special obligations, and regardless of whether the respective proceedings authorizing or otherwise relating to the issuance of the securities provides for their payment from the Pledged Revenues.

Section 609 Defraying Delinquencies. If at any time the City shall for any reason fail to pay into the Bond Fund the full amount above stipulated from the Pledged Revenues, then an amount shall be paid into the Bond Fund at such time equal to the difference between that paid from the Pledged Revenues and the full amount so stipulated. If Parity Securities are Outstanding, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a bond fund, reserve fund or rebate account therefor, then the moneys replaced in such funds shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bonds and the then Outstanding Parity Securities, as moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate accounts.

ARTICLE VII.

GENERAL ADMINISTRATION

Section 701 Administration of Accounts. The special accounts designated in Articles IV and VI hereof shall be administered as provided in this Article.

Section 702 Places and Times of Deposits. Each of the special accounts hereinabove designated in Articles IV and VI hereof shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor, and the moneys accounted for in such special book accounts shall be deposited in one bank account or more in a commercial bank or commercial banks (except as otherwise expressly stated herein). Nothing herein prevents the commingling of moneys accounted for in any two or more book accounts relating to the Project or any other City accounts in any bank account or any investment in Federal Securities hereunder. Each bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then the payment shall be made on or before the next preceding secular day. Notwithstanding any other provision herein to the contrary, moneys sufficient to pay the Bond Requirements then coming due on the Bonds shall be deposited with the Paying Agent at least on the day of each interest payment date herein designated and, in any event, in sufficient time to make timely payment of such Bond Requirements.

Section 703 Investment of Moneys. Any moneys in any account designated in Articles IV and VI hereof (except moneys in the Rebate Account), and not needed for immediate use, may be invested or reinvested in investments which are permitted by the laws of the State and by the insurer of the Bonds, if any ("Permitted Investments").

Section 704 Required and Permissive Investments. There is no obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceeds \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In that event, there shall be invested or reinvested to the extent practicable not less than substantially all the amount which will not be needed during such 60-day period, except for any moneys on deposit in an interest-bearing account in any commercial bank, regardless of

whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to Section 707 hereof. There may be invested or reinvested any moneys on hand at any time as provided in Section 703 hereof even though there is not an obligation to do so.

Section 705 Accounting for Investments. The obligations purchased as an investment or reinvestment of moneys in any such account shall be deemed at all times to be a part of the account and held in trust therefor. Except as herein otherwise provided, any interest or other gain in any account resulting from any such investments and reinvestments and from any deposits of moneys in any commercial bank pursuant to this Article shall be credited to that Fund, and any loss in any account resulting from any such investments and reinvestments and from any such deposits in any commercial bank shall be charged or debited to that Fund. No loss or profit in any account on any investments or reinvestments or any certificates of deposit shall be deemed to take place as a result of fluctuations in the market quotations of the investments, reinvestments or certificates before the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided, obligations and certificates of deposit shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation) and other bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the City until such gain is realized. The expenses of purchase, safekeeping, sale and all other expenses incident to any investment or reinvestment of moneys pursuant to this Article shall be accounted for as operation and maintenance expenses of the Project.

Section 706 Redemption or Sale of Investment Securities. The City Treasurer shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any obligations and certificates of deposit so purchased as an investment or reinvestment of moneys in any account whenever it shall be necessary to do so in order to provide moneys to meet any withdrawal, payment or transfer from such account. The City Treasurer shall not be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Ordinance.

Section 707 Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States or Permitted Investments, or both. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit

of any commercial bank pursuant to Section 703 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 708 Accelerated Payments. Nothing contained in Article VI hereof prevents the accumulation in any account herein designated of any monetary requirements at a faster rate than the rate or minimum rate provided in Article VI therefor, as the case may be; but no payment shall be so accelerated if such acceleration shall cause the City to default in the payment of any obligation of the City relating to any portion of the Pledged Revenues. Nothing contained herein, in connection with the Pledged Revenues received in any Fiscal Year, requires the accumulation in any account for the payment of Bond Requirements due in connection with any series of bonds or other securities payable from any portion of the Pledged Revenues and heretofore, herein or hereafter authorized, in excess of the Bond Requirements required to be accumulated in that Fiscal Year, and of any reserves required to be accumulated and maintained therefor, and of any existing deficiencies, and payable from such account, as the case may be, except as may be otherwise provided in Section 604 or elsewhere herein.

Section 709 Payment of Securities Requirements. The moneys credited to any account designated in Article VI hereof for the payment of the Bond Requirements due in connection with any series of bonds or other securities payable from the Pledged Revenues and heretofore, herein or hereafter authorized shall be used, without requisition, voucher, warrant or further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements payable from such account as such bonds or other securities become due, upon the respective interest payment dates and Redemption Dates, if any, on which the City is obligated to pay the bonds or other securities, or upon the respective interest payment and maturity dates of such bonds or other securities, as provided therefor herein or otherwise, except to the extent any other moneys are available therefor, including, without limitation, moneys accounted for in the Bond Fund.

Section 710 Payment of Redemption Premiums. Notwithstanding any other provision herein, this Ordinance requires the accumulation in any account designated in Article VI hereof for the payment of any series of bonds or other securities payable from the Pledged Revenues of amounts sufficient to pay not only the principal thereof and interest thereon payable from such account but also the prior redemption premiums due in connection therewith, if any, as the same become due, whenever the City shall have exercised or shall have obligated itself to

exercise a prior redemption option relating thereto, except to the extent provision is otherwise made therefor, if any prior redemption premium is due in connection therewith. In that event moneys shall be deposited into such account in due season for the payment of all such Bond Requirements without default as the same become due.

ARTICLE VIII.

SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 801 Lien on the Bonds. The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, and such lien on the Pledged Revenues is on a parity with the lien thereon of any Outstanding Parity Securities.

Section 802 Equality of Bonds. The Bonds and any Parity Securities from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any Parity Securities, it being the intention of the City that there shall be no priority among the Bonds and any such Parity Securities, regardless of the fact that they may be actually issued and delivered at different times.

Section 803 Issuance of Superior or Parity Securities. Nothing herein, subject to the limitations stated in Sections 811 and 812 of this Ordinance, prevents the issuance by the City of additional bonds or other additional securities payable from the Pledged Revenues and constituting a lien thereon prior and superior to or on a parity with the lien thereon of the Bonds and any Parity Securities, nor prevents the issuance of bonds or other securities refunding all or a part of the Bonds (or funding or refunding any other then Outstanding securities payable from the Pledged Revenues), except as provided in Sections 807 through 811 of this Ordinance; but before any such additional Superior Securities or additional Parity Securities are authorized or actually issued (excluding any parity refunding securities other than any securities refunding Subordinate Securities, as permitted in Section 810C hereof):

A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the City shall not be in default in making any payments required by Sections 604 or 606 hereof.

B. Historic Earnings Test. Except as hereinafter otherwise provided, the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of the additional Superior Securities or Parity Securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year) of the Outstanding Bonds and any other Outstanding Superior Securities or Parity Securities of the City and the bonds or other securities proposed to be issued.

C. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether or not Superior Securities or additional Parity Securities may be issued as provided in subsection B of this Section, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Independent Accountant making the computations under this Section, by the City Treasurer or the Chief Financial Officer, which loss or gain results from any change in any schedule of the Pledged Revenues as the case may be, which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such additional securities, based on the number of taxpayers during such next preceding Fiscal Year as if such modified schedule of Pledged Revenues as the case may be, shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the City or other legislative body having or purportedly having jurisdiction in the premises before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year. Nothing herein shall be construed to permit a reduction in Pledged Revenues from the rates charged at the time of delivery of the Bonds.

D. Superior Securities Permitted. The Superior Securities hereafter issued shall not be issued as general obligations but shall be issued solely as special obligations secured by and payable from the Pledged Revenues.

Section 804 Certification of Revenues. A written certification or written opinion by an Independent Accountant, by the Chief Financial Officer or by the City Treasurer, based upon estimates thereby as provided in Section 803C hereof, that the annual revenues when adjusted as hereinabove provided in Section 803C hereof, are sufficient to pay such amounts as provided in Section 803B hereof, shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver additional bonds or additional securities on a parity with or superior to, as the case may be, the Bonds.

Section 805 Subordinate Securities Permitted. Nothing herein, subject to the limitations stated in Sections 811 and 812 of this Ordinance, prevents the City from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds and any Parity Securities.

Section 806 Use of Proceeds. This Ordinance does not limit the use of the proceeds of any additional bonds or other additional securities (other than any funding or refunding securities) payable from the Pledged Revenues.

Section 807 Issuance of Refunding Securities. At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the City shall find it desirable to refund any Bonds or other Outstanding securities payable from and constituting a lien upon the Pledged Revenues, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the City's option upon proper call, unless the owner or owners of all such Bonds or other securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided in Sections 806 and 809 through 813 hereof).

Section 808 Partial Refundings. Any refunding bonds or other refunding securities, unless issued as Subordinate Securities, shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

Section 809 Limitations Upon Refundings. Any refunding bonds or other refunding securities payable from the Pledged Revenues shall be issued with such details as the City may by instrument provide, subject to the provisions of Sections 811 and 812 hereof, and subject to the inclusion of any such rights and privileges designated in Section 808 hereof, but without any impairment of any contractual obligation imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

Section 810 Protection of Securities Not Refunded. If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

A. Requirements Not Increased. Unless the refunding securities do not increase for any Bond Year the annual principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, if any, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the Bonds or other securities thereby refunded; or

B. Subordinate Lien. Unless the lien on the Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

C. Default and Earnings Test. Unless the refunding bonds or other refunding securities are issued in compliance with Section 803 hereof (including subsections A through C thereof) and Section 804 hereof.

Section 811 Payment Dates of Additional Securities. Any additional Parity Bonds or Subordinate Bonds or other additional Parity Securities or Subordinate Securities (including, without limitation, any funding or refunding securities) issued in compliance with the terms hereof shall bear interest payable at the times and shall mature on the dates designated by the City in the supplemental instrument authorizing such securities as provided in Section 812 hereof.

Section 812 Supplemental Instrument. Additional bonds or other additional securities payable from the Pledged Revenues shall be issued only after authorization thereof by a supplemental instrument of the City stating the purpose or purposes of the issuance of the additional bonds or other additional securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, principal amount, maturity or maturities, designation and numbers thereof, the maximum rate or rates of interest to be borne thereby, any prior redemption privileges of the City with respect thereto and other provisions thereof not in conflict with this Ordinance. All additional bonds or other additional securities shall bear such date, shall bear such numbers and series designation, letters or symbols prefixed to their numbers distinguishing them from each other security, shall be payable at such place or places at such times, may be subject to redemption prior to maturity on such terms

and conditions, and shall bear interest at such rate or at such different and varying rates per annum, as may be fixed by instrument or other document of the City.

ARTICLE IX.

MISCELLANEOUS PROTECTIVE COVENANTS

Section 901 General. The City hereby particularly covenants and agrees with the owners of the Bonds and makes provisions which shall be a part of its contract with such owners to the effect and with the purposes set forth in the following provisions and sections of this article.

Section 902 Performance of Duties. The City shall faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues required by the Constitution and laws of the State and the various resolutions, ordinances and other instruments of the City, including, without limitation, the proper segregation of the proceeds of the Bonds and Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 903 Further Assurances. At any and all times the City, except when otherwise required by law, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Pledged Revenues and other moneys and accounts hereby pledged or assigned, or which the City, may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Ordinance and to comply with the Act, the Bond Act, the Supplemental Bond Act and all laws supplemental thereto. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every owner of any Bonds against all claims and demands of all Persons whomsoever.

Section 904 Covenant to Perform. The City shall observe and perform all of the terms and conditions contained in this Ordinance, the Sales Tax Ordinance, the Act, the Bond Act and all laws supplemental thereto and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Project, to any such other facilities, or to the City.

Section 905 Conditions Precedent. Upon the date of issuance of any Bonds, all conditions, acts and things required by the Constitution or statutes of the State, including without limitation, the and the Bond Act, or this Ordinance, to exist, to have happened, and to have been

performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the City, shall not contravene any debt or other limitation prescribed by the State Constitution or statutes.

Section 906 Protective Security. The City, the officers, agents and employees of the City shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds and any other securities payable from all or a portion of the Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of any Bond or other security payable from all or a portion of the Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 907 Accumulation of Interest Claims. In order to prevent any accumulation of coupons or claims for interest after maturity, the City shall not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest on any of the Bonds or any other securities payable from the Pledged Revenues; and the City shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such coupons or other claims for interest. If the time for the payment of any such coupons or of any other such installment of interest shall be extended in contravention of the foregoing provisions, such coupon or installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of the Bonds of any such other securities then Outstanding and of all matured interest on such securities the payment of which has not been extended.

Section 908 Prompt Payment of Bonds. The City shall promptly pay the Bond Requirements of every Bond issued hereunder and secured hereby at the places, on the dates, and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 909 Use of Bond Fund. The Bond Fund shall be used solely, and the moneys credited to such account are hereby pledged, for the purpose of paying the Bond Requirements of the Bonds, subject to the provisions concerning surplus moneys in Sections 605, 608 and 1001 hereof.

Section 910 Use of Pledged Revenues. None of the Pledged Revenues shall be used for any purpose other than as provided herein. The City shall apply the Pledged Revenues to

the payment of the Bonds, any other securities payable from Pledged Revenues, and the interest thereon (but not necessarily exclusively thereto), and the City is not obligated to make such payments from any other source or moneys, but it is not prohibited from making such payments from any moneys which may be lawfully used for that purpose.

Section 911 Additional Securities. Any other securities hereafter authorized to be issued and payable from all or a portion of the Pledged Revenues shall not hereafter be issued, unless the additional securities are also issued in conformance with the provisions of Articles VI and VIII hereof.

Section 912 Collection of Pledged Revenues. The Board, on behalf of the City, shall cause the Pledged Revenues to be collected as soon as reasonable, shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, including without limitation, the imposition of penalties for any defaults, to the end that the Pledged Revenues shall be adequate to meet the requirements of this Ordinance and of any other instruments supplemental hereto.

Section 913 Records. So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Project or the Pledged Revenues, or to both. Such books shall include (but not necessarily be limited to) monthly records showing:

- A. Receipts. The revenues received from the Pledged Revenues, and
- B. Expenses. A detailed statement of the expenditures from the Pledged Revenues.

Section 914 Maintenance and Inspection of Records. All requisitions, requests, certificates, opinions and other documents received by any individual on behalf of the City in connection with the Project under the provisions of this Ordinance shall be retained in the City's official records. The Registrar shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the Project and the Pledged Revenues, to make copies of such records, accounts and data, and to inspect the Project and all properties comprising the Project.

Section 915 Completion of Project. The City, with the proceeds derived from the sale of the Bonds and any other available moneys, shall proceed to cause the Project to be completed without delay to the best of the City's ability and with due diligence, as herein provided.

Section 916 Continuing Disclosure Undertaking. The City covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the final Continuing Disclosure Certificate substantially in the form now on file with the Chief Financial Officer, to be executed by the Chief Financial Officer and delivered in connection with the delivery of the Bonds.

Section 917 Tax Covenant. The City covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met. The City makes no covenant with respect to taxation of interest on the Bonds as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 55(k), respectively, of the Tax Code).

ARTICLE X.

MISCELLANEOUS

Section 1001 Defeasance. When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be due payment of any Bond or other security when the City has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond or other security, as the same become due to the final maturity of the Bond or other security, or upon any Redemption Date as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond or other security for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purpose of this Section, "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof.

Section 1002 Delegated Powers. The Mayor, the Chief Financial Officer, the Clerk-Recorder, the City Treasurer, and other officers and agents of the City hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. Printing Bonds. The printing of the Bonds , including, without limitation, the printing on each Bond, if applicable, of a statement of insurance pertaining to the Bonds; and

B. Final Certificates. The execution of such certificates as may be reasonably required by the Purchaser, relating, inter alia, to

- (1) The signing of the Bonds,
- (2) The tenure and identity of the officials of the City, of the Board and of the City,
- (3) The delivery of the Bonds and the receipt of the bond purchase price,

- (4) The exclusion of the interest on the Bonds from gross income for federal income tax purposes,
- (5) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity therefor,
- (6) The accuracy and completeness of the statements made in the Official Statement, and
- (7) The Continuing Disclosure Certificate and the Certificate of the Chief Financial Officer.

Section 1003 Statute of Limitations. No action or suit based upon the Bonds or other obligation of the City shall be commenced after it is barred by any statute of limitations relating thereto. Any trust or fiduciary relationship between the City and the owner of any Bonds or other obligee regarding any such other obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Bonds are presented for payment or demand for payment of any such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any account reserved, pledged or otherwise held for the payment of any such obligation, action or suit for the collection of which has been barred, shall revert to the Infrastructure Fund, unless the City shall otherwise provide by instrument of the City. Nothing herein prevents the payment of any such obligation after any action or suit for its collection has been barred if the City deems it in the best interests of the public to do so and orders such payment to be made.

Section 1004 Evidence of Ownership. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the owner of any Bonds or other securities may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such owner in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the securities, shall be sufficient for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the following manner, but the City may, nevertheless, in its discretion require further or other proof in cases when it deems the same desirable:

A. Proof of Execution. The fact and the date of the execution by any owner of any Bonds or other securities or his attorney of such instrument may be provided by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Clerk-Recorder or of and notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before the notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate owner of any securities may be established without further proof if the instrument is signed by an individual purporting to be the president or a vice president of the corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if the instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Ownership. The ownership of any of the Bonds or other securities held by any Persons executing any instrument as a holder of securities, and the numbers, date and other identification thereof, together with the date of his or her holding the securities, shall be proved by the registration books at the City kept by the Registrar.

Section 1005 Warranty upon Issuance of Bonds. Any Bonds authorized as herein provided, when duly executed and delivered for the purpose provided for in this Ordinance shall constitute a warranty by and on behalf of the City for the benefit of each and every future holder of any of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

Section 1006 Immunities of Purchaser. The Purchaser and any associate thereof are under no obligation to any holder of the Bonds for any action that they may or may not take or in respect of anything that they may or may not do by reason of any information contained in any reports or other documents received by them under the provisions of this Ordinance. The immunities and exemptions from liability of the Purchaser and any associate thereof hereunder extend to their partners, directors, successors, employees and agents.

Section 1007 Police Power. Nothing herein prohibits or otherwise limits or inhibits the exercise by the Federal Government, the State, any agency thereof or any public body

thereof, including, without limitation, the City, of the police power, i.e., essential governmental powers for the public welfare. The provisions hereof are subject to any proper exercise hereafter of the police power thereby. The City cannot contract away the police power thereof nor limit or inhibit by contract the proper exercise of the police power thereby, and this Ordinance does not purport to do so.

Section 1008 Designation as Bank Qualified. The City hereby delegates to the Chief Financial Officer the authority to designate the Bonds as qualified tax-exempt obligations for purposes of and within the meaning of Section 265(b)(3)(B) of the Tax Code.

Section 1009 Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent so appointed shall resign, or if the City shall reasonably determine that it desires to replace the Registrar or Paying Agent, the City may, upon notice given to each owner of any Bond at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent or both. Every such successor Registrar or Paying Agent shall be a trust bank or an officer or employee of the City. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder. No resignation or dismissal of the Registrar or the Paying Agent may take effect until a successor is appointed.

Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paying Agent under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this Resolution to the contrary notwithstanding.

ARTICLE XI.

PRIVILEGES, RIGHTS AND REMEDIES

Section 1101 Bond Owner's Remedies. Each owner of any Bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the Act and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as otherwise provided herein, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

Section 1102 Right to Enforce Payment. Nothing in this article affects or impairs the right of any owner of any Bond to enforce the payment of the Bond Requirements due in connection with his or her Bond or the obligation of the City to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond.

Section 1103 Events of Default. Each of the following events is hereby declared an "Event of Default"; provided that breach of the undertakings of the City under the Continuing Disclosure Certificate shall not constitute an Event of Default under this Ordinance and the rights and remedies provided in this Ordinance in the Event of Default are not applicable to a breach of the obligation of the City under the Continuing Disclosure Certificate:

A. Nonpayment of Principal and Premium. Payment of the principal of any of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity, on the mandatory redemption dates specified in Section 303B hereof, or by proceedings for optional prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on the Bonds is not made when the same becomes due and payable;

C. Incapable to Perform. The City for any reason is rendered incapable of fulfilling its obligations hereunder, excluding, however, any obligations pursuant to Section 916 of this Ordinance;

D. Nonperformance of Duties. The City fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues, or otherwise, including without limitation, this Ordinance, and such failure continues for 60 days after receipt of notice

from the insurer of the Bonds, if any, or the owners of 10% in principal amount of the Bonds then Outstanding;

E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds or if an order or decree having been entered without the consent or acquiescence of the City is not vacated or discharged or stayed on appeal within 60 days after entry; and

F. Default of Any Provision. The City makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the City by the insurer of the Bonds, if any, or the owners of 10% in principal of the Bonds then Outstanding.

Section 1104 Remedies for Default. Upon the happening and continuance of any of the Events of Default, as provided in Section 1103 hereof, then and in every case, the insurer of the Bonds, if any, or the owner or owners of not less than 10% in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the City to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any Parity Securities then Outstanding.

Section 1105 Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of owners hereunder, the consent to any such appointment being hereby expressly granted by the City, may collect, receive and apply all Pledged Revenues arising after the appointment of the receiver in the same manner as the City itself might do.

Section 1106 Rights and Privileges Cumulative. The failure of any owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the City, the City, or any officers, agents or employees thereof of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any owner shall not be deemed a waiver of any other right or privilege thereof.

Section 1107 Duties upon Defaults. Upon the happening of any of the Events of Default as provided in Section 1103 hereof, the City, in addition, shall do and perform all proper acts on behalf of and for the owners of the Bonds to protect and to preserve the security created for the payment of their Bonds and to insure the payment of the Bond Requirements promptly as the same become due. During any period of default, so long as any of the Bonds issued hereunder, as to any Bond Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Pledged Revenues shall be paid into the Bond Fund, or, in the event of securities heretofore and hereafter issued and Outstanding during that period of time on a parity with or superior to the Bonds, shall be paid into the bond accounts for all Superior Securities and Parity Securities first or on an equitable and prorated basis (as the case may be), and used for the purposes therein provided. If the City fails or refuses to proceed as in this Section provided, the owner or owners of not less than 10% in principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the owners of the Bonds as hereinabove provided; and to that end any such owners of the Bonds shall be subrogated to all rights of the City under any agreement or contract involving the Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding.

Section 1108 Duties in Bankruptcy Proceedings. If any Person obligated to pay any Sales Tax proceeds under any laws of the United States relating to bankruptcy, including, without limitation, any action under any law providing for corporate reorganization, it shall be the duty of the City, and its appropriate officers are hereby authorized and directed, to take all necessary steps for the benefit of the owners of the Bonds in such proceedings, so including the filing of any claims for unpaid Sales Tax proceeds and other payments to or otherwise arising from the breach of any of the covenants, terms or conditions of any instrument or obligation pertaining to the Pledged Revenues, except to the extent that the State acting by and through the Department

or otherwise takes such action, unless the Board by resolution or other instrument determines that the costs of such action are likely to exceed the amounts thereby recovered from such taxpayer.

Section 1109 Prejudicial Action Unnecessary. Nothing in this article requires the City to proceed as provided therein if the City determines in good faith and without any gross abuse of its discretion that if the City so proceeds it is more likely than not to incur a net loss rather than a net gain, or the action is otherwise likely to affect materially and prejudicially the owners of the Bonds and any Outstanding Parity Securities.

ARTICLE XII.

AMENDMENT OF INSTRUMENT

Section 1201 Privilege of Amendments. This Ordinance may be amended or supplemented by instruments adopted by the City in accordance with the laws of the State, without receipt by the City of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or the owners of 66% in aggregate principal amount of the Bonds authorized by this Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding, pursuant to Section 103D hereof, any Bonds which may then be held or owned for the account of the City, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the City.

Section 1202 Limitations upon Amendments. No such instrument shall permit without the written consent of all owners of the Bonds adversely and materially affected thereby:

A. Changing Payment. A change in the maturity or in the terms of redemption of the principal of any Bond or any installment of interest thereon; or

B. Reducing Return. A reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith, without the consent of the owner of the Bond; or

C. Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance; or

D. Modifying Any Bond. A reduction of the percentages or otherwise affecting the description of Bonds the consent of the owners of which is required for any modification or amendment; or

E. Priorities between Bonds. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or

F. Partial Modification. The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Section 1203 Notice of Amendment. Whenever the City proposes to amend or modify this Ordinance under the provisions of this Article, it shall cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment to:

- (1) The insurer of the Bonds, if any,
- (2) The Paying Agent,
- (3) The Registrar, and
- (4) The registered owner of each of the Bonds then Outstanding.

The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the Secretary for public inspection.

Section 1204 Time for Amendment. Whenever at any time within one year from the date such notice is given, there shall be filed in the office of the Clerk-Recorder an instrument or instruments executed by the insurer of the Bonds, if any, or the owners of at least 66% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the City may adopt the amendatory instrument and the instrument shall become effective.

Section 1205 Binding Consent to Amendment. If the insurer of the Bonds, if any, or the owners of at least 66% in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond, whether or not the owner shall have consented to or shall have revoked any consent as in this article provided, shall have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the City from taking any action pursuant to the provisions thereof.

Section 1206 Time Consent Binding. Any consent given by the owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the giving of the notice above provided for in Section 1203 hereof, and shall be conclusive and binding upon all future owners of the same Bond during that period.

Section 1207 Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and the provisions of this Ordinance or of any instrument amendatory hereof or supplemental hereto and the rights and the obligations of the City and of the owners of the Bonds hereunder may be modified or amended in any respect upon the adoption by the City and upon the filing with the Clerk-Recorder of an instrument to that effect

and with the consent of the insurer of the Bonds, if any, or the owners of all the Bonds then Outstanding, the consent to be given as provided in Section 1004 hereof; and no notice to owners of Bonds shall be required as provided in Section 1203 hereof, nor shall the time of consent be limited except as may be provided in the consent.

Section 1208 Exclusion of City's Bonds. At the time of any consent or of other action taken under this Article, the City shall furnish to the Clerk-Recorder a certificate of the City Treasurer, upon which the City may rely, describing all Bonds to be excluded, for the purpose of consent or of other action or of any calculation of the Bonds provided for in this Article, and the City shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, pursuant to Section 103D hereof.

Section 1209 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the City as to the action; and if any Bond so authenticated and delivered shall bear such notation, then upon demand of the owner of any Bond Outstanding at such effective date and upon presentation of his or her Bond for the purpose at the principal office of the Secretary, suitable notation shall be made on the Bond by the Secretary as to any such action. If the City so determines, new Bonds so modified as in the opinion of the City to conform to such action shall be prepared, authenticated and delivered; and upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to the owner for Bonds then Outstanding upon surrender of the Bonds.

Section 1210 Proof of Ordinances and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing the instrument, and the date of his holding the same may be proved as provided by Section 1004 hereof.

PASSED AND ADOPTED BY THE BOARD OF SUPERVISORS OF CARSON CITY, THIS FEBRUARY 2, 2023.

Proposed on January 19, 2023.

Passed on the February 2, 2023.

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent and Not Voting: _____

Those Abstaining: _____

LORI BAGWELL, Mayor
Carson City, Nevada

(SEAL)

WILLIAM SCOTT HOEN
Clerk-Recorder

This Ordinance shall be force and effect from and after February __, 2023, i.e., the date of publication of this Ordinance by its title only.

STATE OF NEVADA)
) ss.
CARSON CITY)

I am the duly chosen, qualified and acting Clerk-Recorder of Carson City, Nevada (the “City”) do hereby certify:

1. The foregoing pages are a true, perfect and a complete copy of an ordinance proposed by the Board of Supervisors (the “Board”) of Carson City, Nevada (the “City” and the “State”), at a lawful meeting of the Board held on January 19, 2023, and adopted by the Board at a lawful meeting of the Board held on February 2, 2023, as recorded in the official record book of the proceedings of the City kept in my office.

2. The members of the Board voted on the introduction of the ordinance on January 19, 2023, as follows:

Those Voting Aye:

Those Voting Nay:

Those Absent:

3. The members of the Board voted on the final passage of the ordinance on February 2, 2023, as set forth following the ordinance.

4. All members of the Board were duly notified of said meetings held on January 19, 2023, and February 2, 2023.

5. Public notice of each of the meetings was given and such meetings were held and conducted in full compliance with the provisions of NRS 241.020.

6. A copy of such notices as posted and given are attached hereto as Exhibit A. An affidavit of publication of the notice of filing of the ordinance is attached hereto as Exhibit B.

7. An affidavit of publication of the notice of adoption of the ordinance is attached hereto as Exhibit C.

IN WITNESS WHEREOF, I have hereunto set my hand this February 2, 2023.

WILLIAM SCOTT HOEN
Clerk-Recorder

(SEAL)

EXHIBIT “A”

(Attach Copy of Notices of Meetings of January 19, 2023 and February 2, 2023)

EXHIBIT “B”

(Attach Affidavit of Publication of Notice of Filing of an Ordinance)

EXHIBIT “C”

(Attach Affidavit of Publication of Notice of Adoption of an Ordinance)

APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Carson City, Nevada (the "Issuer") in connection with the issuance of the Carson City, Nevada, General Obligation (Limited Tax) Infrastructure Sales Tax Bonds (Additionally Secured by Pledged Revenues), Series 2023, in the aggregate principal amount of \$_____ (the "Bonds"). The Bonds are being issued pursuant to the ordinance adopted by the Board of Supervisors of the Issuer on February 2, 2023 (the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC").

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

"Material Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. The MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending June 30, 2023, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send or cause to be sent a notice in substantially the form attached as Exhibit A to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds (excluding projections, forecasts and budgeted information which are not required to be updated).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which

are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (g) Modifications to rights of bondholders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated person¹;
- (m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: _____, 2023.

CARSON CITY, NEVADA

Chief Financial Officer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Carson City, Nevada

Name of Bond Issue: General Obligation (Limited Tax) Infrastructure Sales Tax Bonds
(Additionally Secured by Pledged Revenues), Series 2023

Date of Issuance: _____, 2023.

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Ordinance adopted on February 2, 2023 and the Continuing Disclosure Certificate executed on _____, 2023 by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

CARSON CITY, NEVADA

By: _____

Title: _____

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(See page -iv- of the Official Statement)

Carson City, Nevada
General Obligation (Limited Tax)
Infrastructure Sales Tax Bonds, Series 2023
Sources & Uses of Funds

Issue Summary

Dated Date	03/01/2023
------------	------------

Par Amount	\$5,550,000
Underwriter's Spread	0.750%
Total Costs as % of Par	3.592%
True Interest Cost	3.3603%
All-in TIC	3.7225%
Arbitrage Yield Limit	3.1200%
Weighted Average Maturity	8.911 years

Sources of Funds:

Par Amount	\$5,550,000.00
Original Issue Premium	712,999.80

Total	\$6,262,999.80

Uses of Funds:

Construction Funds	\$6,063,624.80
Net Underwriting	41,625.00
Insurance	0.00
Issuance Costs	157,750.00

Total	\$6,262,999.80

Carson City, Nevada
General Obligation (Limited Tax)
Infrastructure Sales Tax Bonds, Series 2023
Debt Service Schedule

Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Debt Service
03/01/2023					
09/01/2023			\$138,750.00	\$138,750.00	
03/01/2024			138,750.00	138,750.00	\$277,500.00
09/01/2024	\$280,000	5.000%	138,750.00	418,750.00	
03/01/2025			131,750.00	131,750.00	550,500.00
09/01/2025	295,000	5.000%	131,750.00	426,750.00	
03/01/2026			124,375.00	124,375.00	551,125.00
09/01/2026	310,000	5.000%	124,375.00	434,375.00	
03/01/2027			116,625.00	116,625.00	551,000.00
09/01/2027	325,000	5.000%	116,625.00	441,625.00	
03/01/2028			108,500.00	108,500.00	550,125.00
09/01/2028	340,000	5.000%	108,500.00	448,500.00	
03/01/2029			100,000.00	100,000.00	548,500.00
09/01/2029	360,000	5.000%	100,000.00	460,000.00	
03/01/2030			91,000.00	91,000.00	551,000.00
09/01/2030	380,000	5.000%	91,000.00	471,000.00	
03/01/2031			81,500.00	81,500.00	552,500.00
09/01/2031	395,000	5.000%	81,500.00	476,500.00	
03/01/2032			71,625.00	71,625.00	548,125.00
09/01/2032	420,000	5.000%	71,625.00	491,625.00	
03/01/2033			61,125.00	61,125.00	552,750.00
09/01/2033	440,000	5.000%	61,125.00	501,125.00	
03/01/2034			50,125.00	50,125.00	551,250.00
09/01/2034	460,000	5.000%	50,125.00	510,125.00	
03/01/2035			38,625.00	38,625.00	548,750.00
09/01/2035	490,000	5.000%	38,625.00	528,625.00	
03/01/2036			26,375.00	26,375.00	555,000.00
09/01/2036	515,000	5.000%	26,375.00	541,375.00	
03/01/2037			13,500.00	13,500.00	554,875.00
09/01/2037	540,000	5.000%	13,500.00	553,500.00	
03/01/2038			0.00	0.00	553,500.00
	\$5,550,000		\$2,446,500.00	\$7,996,500.00	\$7,996,500.00

Carson City, Nevada
General Obligation (Limited Tax)
Infrastructure Sales Tax Bonds, Series 2023
Pricing Schedule

Date	Principal	Coupon	Yield	Price	Prem/(Disc)	Production	Call Date: 09/01/2033	Call Price: 100
03/01/2023								
09/01/2024	\$280,000.00	5.000%	2.560%	103.568	\$9,990.40	\$289,990.40		
09/01/2025	295,000.00	5.000%	2.600%	105.772	17,027.40	312,027.40		
09/01/2026	310,000.00	5.000%	2.700%	107.632	23,659.20	333,659.20		
09/01/2027	325,000.00	5.000%	2.730%	109.551	31,040.75	356,040.75		
09/01/2028	340,000.00	5.000%	2.770%	111.304	38,433.60	378,433.60		
09/01/2029	360,000.00	5.000%	2.830%	112.801	46,083.60	406,083.60		
09/01/2030	380,000.00	5.000%	2.880%	114.208	53,990.40	433,990.40		
09/01/2031	395,000.00	5.000%	2.950%	115.312	60,482.40	455,482.40		
09/01/2032	420,000.00	5.000%	2.990%	116.516	69,367.20	489,367.20		
09/01/2033	440,000.00	5.000%	3.070%	117.211	75,728.40	515,728.40		
09/01/2034	460,000.00	5.000%	3.130%	116.625 *	76,475.00	536,475.00		
09/01/2035	490,000.00	5.000%	3.250%	115.462 *	75,763.80	565,763.80		
09/01/2036	515,000.00	5.000%	3.470%	113.367 *	68,840.05	583,840.05		
09/01/2037	540,000.00	5.000%	3.590%	112.244 *	66,117.60	606,117.60		
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\$5,550,000.00					Par Amount	\$712,999.80	\$6,262,999.80	
<u>671,374.80</u>					<u>+ Premium Bid</u>			
6,221,374.80					= Amount Bid			
<u>41,625.00</u>					<u>+ Underwriter's Spread</u>			
\$6,262,999.80					= Price to Public			

* Priced to first optional redemption date of September 1, 2033.
