

EXPLANATION: Matter underlined is new; matter in brackets and stricken [--] is material to be repealed.

**BILL NO. 7241**

**ORDINANCE NO. 6657**

**AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF RENO, NEVADA OF ITS GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2023 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$28,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; AND PROVIDING OTHER MATTERS RELATING THERETO.**

**WHEREAS**, the City of Reno in the County of Washoe and State of Nevada (the "City," the "County" and the "State," respectively) is a political subdivision of the State duly organized and operating as a city under the provisions of Nevada Revised Statutes ("NRS") chapter 268 and an act entitled "AN ACT incorporating the City of Reno in Washoe County, Nevada, and defining the boundaries thereof; under a new charter; and providing other matters properly relating thereto," cited as chapter 662, Statutes of Nevada, 1971, as amended (the "Charter"); and

**WHEREAS**, the Charter, NRS 350.500 through 350.720, and all laws amendatory thereof, cited in Section 350.500 thereof by the short title "Local Government Securities Law" (the "Bond Act") and Chapter 360 of NRS (the "Consolidated Tax Act") provide that the City Council of the City (the "Council") has the power to borrow money for corporate purposes and to evidence such borrowing by the issuance of bonds and to pledge the Room Tax Pledged Revenues (as defined herein) and the Consolidated Tax Pledged Revenues (as defined herein) to the repayment thereof; and

**WHEREAS**, the Council has determined and does hereby declare pursuant to the Bond Act, that the City is authorized to refund, pay and discharge all or any part of the outstanding bonds of any one or more issues for the purpose of reducing interest costs or effecting other economies (the "Project") through the issuance of the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2023" (the "Bonds"); and

**WHEREAS**, the Bonds will be additionally secured by a pledge of:

(1) a tax imposed by the Board of County Commissioners of the County at the rate of one percent (1%) of the gross receipts from the rental of transient lodging within the County upon all persons in the business of providing lodging throughout the County, including within the incorporated cities, for the purpose of constructing and operating a multi-purpose bowling facility, including parking space for other functions ancillary to such a facility (the "Bowling Facility Tax") pursuant to Chapter 19, Section 37, Statutes of Nevada 1991 (the "1991 Act"); and

(2) (a) a tax rate of three percent (3%) of the gross receipts from the rental of transient lodging imposed in the unincorporated area of the County and each incorporated city in the County, except a district described in NRS 268.780 to 268.785, inclusive, in which a 1 percent tax is imposed on the gross receipts from the rental of transient lodging for railroad grade separation projects, subject to certain limitations and adjustments pursuant to the 1999 Act (as defined below), and (b) an additional 1.5 percent (1.5%) of the gross receipts from the rental of transient lodging imposed by the Council in an area determined by the Council to specially benefit from the capital improvement projects to be financed by bonds (the "1999 Tax" and together with the Bowling Facility Tax, the "Room Tax Pledged Revenues") issued pursuant to Chapter 432, Statutes of Nevada 1999, as amended by Chapter 334, Statutes of Nevada 2001 (as amended, the "1999 Act"); and

(3) fifteen percent (15%) of the Consolidated Tax Pledged Revenues received by the City during each fiscal year and authorized to be pledged pursuant to NRS 360.698 (the "Consolidated Tax Pledged Revenues," and together with the Room Tax Pledged Revenues, the "Pledged Revenues"); and

**WHEREAS**, the City has previously issued its "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2013A" (the "2013A Bonds"), which are secured by a lien on the Consolidated Tax Pledged Revenues and the Room Tax Pledged Revenues which is (i) on a parity with the lien on the Consolidated Tax Pledged Revenues and the Room Tax Pledged Revenues of the Bonds herein authorized, (ii) on a parity with the lien on the Consolidated Tax Pledged Revenues of the 2022 Bonds (as defined below), and (iii) subordinate to the lien on the Consolidated Tax Pledged Revenues and the Room Tax Pledged Revenues of the Superior Securities (as defined below); and

**WHEREAS**, the City has previously issued its "City of Reno, Nevada, General Obligation (Limited Tax) Various Purpose Subordinate Lien Bonds (Additionally Secured by

Pledged Revenues), Series 2022" (the "2022 Bonds"), which are secured by a lien on the Consolidated Tax Pledged Revenues which is (i) on a parity with the lien on the Consolidated Tax Revenues of the 2013A Bonds and the Bonds herein authorized, and (ii) subordinate to the lien on the Consolidated Tax Pledged Revenues of the Superior Obligations (as defined below); and

**WHEREAS**, the City has previously issued its "City of Reno, Nevada, Taxable Capital Improvement Revenue Bonds, Series 2005C" (the "2005C Bonds"), "City of Reno, Nevada, Capital Improvement Revenue Refunding Bonds, Series 2019A-1 (Tax-Exempt)" (the "2019A-1 Bonds") and "City of Reno, Nevada, Capital Improvement Revenue Refunding Bonds, Series 2019A-2 (Taxable)" (the "2019A-2 Bonds" and collectively with the 2005C Bonds and the 2019A-1 Bonds, the "Superior Securities"), which are secured by a lien on the Consolidated Tax Pledged Revenues and the Room Tax Pledged Revenues that is (i) prior and superior to the lien on the Consolidated Tax Pledged Revenues and the Room Tax Pledged Revenue of the 2013A Bonds and the Bonds herein authorized, and (ii) prior and superior to the lien on the Consolidated Tax Pledged Revenues of the 2022 Bonds; and

**WHEREAS**, there are no outstanding obligations other than the Superior Securities, the 2013A Bonds and the 2022 Bonds, which are secured in whole or in part by all or a portion of the Pledged Revenues; and

**WHEREAS**, the City has never pledged nor in any way hypothecated all or a portion of the Pledged Revenues to the payment of any bonds, other than as set forth in this Ordinance, or for any other purpose; and

**WHEREAS**, the City has determined and hereby determines that it is necessary and in the best interests of the City and its citizens to finance the Project; and

**WHEREAS**, interest rates have declined since the issuance of the 2013A Bonds; and

**WHEREAS**, NRS 350.684 provides that the City may issue refunding bonds to refund, pay and discharge all or any part of the outstanding bonds of any one or more issues for the purpose of reducing interest costs or effecting other economies; and

**WHEREAS**, if it is determined by the City's Director of Finance (the "Finance Director") that the City will achieve interest rate savings or effect other economies, the Finance Director is hereby authorized to specify in the Certificate of the Finance Director (defined below) which maturities of the 2013A Bonds, if any, will be refunded (the "Refunded Bonds"); and

**WHEREAS**, the City distributed a notice inviting bids for the purchase of the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2023" (the "Bonds"), and the City hereby authorizes the City Manager or the Finance Director to accept a binding bid for the purchase of the Bonds (the "Bond

Purchase Proposal") from the best bidder for the Bonds (the "Purchaser"), subject to the requirements set forth herein; and

**WHEREAS**, the Bonds are to be sold for a purchase price equal to the principal amount of the Bonds (not to exceed \$28,000,000), plus a premium or less a discount not exceeding 9% of the principal amount of the Bonds, all as specified by the City Manager or the Finance Director in a certificate dated on or before the date of delivery of the Bonds (the "Certificate of the Finance Director), and otherwise upon the terms and conditions provided in this Ordinance; and

**WHEREAS**, the effective interest rate on the Bonds herein authorized shall not exceed by more than 3% the "Index of Twenty Bonds" which was most recently published in The Bond Buyer before a negotiated offer for the Bonds is accepted; and

**WHEREAS**, the Bonds will be paid within 25 years of the date of issuance of the Refunded Bonds, the maturity of any Refunded Bond will not be extended beyond one year next following the date of the last outstanding maturity of the Refunded Bonds, the interest rate on the Bonds will not exceed the limit provided in NRS 350.2011, and the principal amount of the Bonds will not be increased to an amount in excess of the City's debt limit; and

**WHEREAS**, there have been filed with the Finance Director the form of the Continuing Covenant Agreement (as defined herein) and the form of the Forward Fixed Rate Lock Agreement (as defined herein); and

**WHEREAS**, the Council has found and determined and hereby declares:

A. It is necessary and for the best interests of the City to effect the Project and to issue the Bonds;

B. Each of the limitations and other conditions to the issuance of the Bonds in the Project Act, 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 Council 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

C. This ordinance pertains to the sale, issuance and payment of the Bonds; this declaration shall be conclusive in the absence of fraud or gross abuse of discretion.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:**

## ARTICLE I

### SHORT TITLE, DEFINITIONS, INTERPRETATION, RATIFICATION, TRANSMITTAL, AND EFFECTIVE DATE

Section 101. Short Title. This ordinance shall be known as and may be designated by the short title "2023 Capital Improvement Refunding Bond Ordinance" (this "Ordinance").

Section 102. Meanings and Construction.

A. 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:

"1991 Act" means Chapter 19, Section 37, Statutes of Nevada 1991, as amended from time to time.

"1999 Act" means Chapter 432, Statutes of Nevada 1999, as amended by Chapter 334, Statutes of Nevada 2001, as amended from time to time.

"1999 Tax" means the tax imposed pursuant to the 1999 Act and described in the ordaining clauses of this Ordinance, less any administrative and collection fees permitted under State law.

"annual principal and interest requirements" means the sum of the principal of and interest on the Outstanding Bonds and any other Outstanding designated securities payable from the Pledged Revenues having a lien thereon superior to or on a parity with the lien thereon of the Bonds, including the Outstanding Superior Securities, to be paid during any Bond Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided and excluding any amount payable from capitalized interest. 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 ordinance or other instrument authorizing the issuance of such bonds 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.

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

"Bond Fund" means the special account designated as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023 Bond Fund," created and required to be accumulated and maintained in Section 604 hereof which shall be held separate and apart from the Pledged Revenues Account.

"Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds 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.

"Bonds" or "Bond" means the securities issued hereunder as a single bond and designated as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2023."

"Bond Year" means the 12 months commencing on June 2 of any calendar year and ending on June 1 of the next succeeding calendar year.

"Bowling Facility Tax" means the tax imposed pursuant to the 1991 Act and described in the ordaining clauses of this Ordinance, less any administrative and collection fees permitted under State law.

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

"CCA Event of Default" means an Event of Default as defined in the Continuing Covenant Agreement.

"City" means the City of Reno in the County of Washoe in the State, and constituting a political subdivision thereof, or any successor municipal corporation.

"City Treasurer" or "Treasurer" means the de jure or de facto city treasurer of the City and designated as such by the City.

"Clerk" or "City Clerk" means the de jure or de facto city clerk of the City and designated as such by the City, or his or her successor in functions, if any.

"combined maximum annual principal and interest requirements" means the greatest of the annual principal and interest requirements to be 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. If any outstanding bonds are subject to variable interest rates, for the purpose of such computation, such interest rates shall be estimated by an Independent Accountant, an independent feasibility consultant or the Finance Director and the rate so estimated shall be used for the purpose of such computation. Any such computation shall be adjusted as provided in Section 803C hereof, and shall be made by an Independent Accountant, an independent feasibility consultant or the Finance Director if expressly so required.

"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.

"Consolidated Tax Act" means, collectively, NRS 360.698 and each act which authorizes or imposes one or more of the taxes or other impositions that generate revenues distributed to the City pursuant to NRS 360.680, 360.690 or 360.700 and authorized to be pledged to the Bonds by NRS 360.698, as amended from time to time.

"Consolidated Tax Pledged Revenues" means a 15% portion of all income and revenue derived by the City from the Consolidated Tax Act and distributed thereto pursuant to NRS 360.698.

"Continuing Covenant Agreement" means the Continuing Covenant Agreement dated as of June 1, 2023, between the City and the initial Purchaser, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Costs of Issuance Account" means the special account designated as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023, Costs of Issuance Account," created in Section 401B hereof.

"Council" means the City Council of the City of Reno, in the State of Nevada, including any successor to the City Council.

"Events of Default" means the events stated in Section 1103 hereof.

"Excess Interest Amount" has the meaning assigned thereto in the Continuing Covenant Agreement.

"Determination of Taxability" has the meaning assigned thereto in the Continuing Covenant Agreement.

"Default Rate" has the meaning assigned thereto in the Continuing Covenant Agreement.

"Federal Government" means the United States, or any agency, instrumentality or corporation thereof.

"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.

"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, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

"Forward Fixed Rate Lock Agreement" means the Forward Fixed Rate Lock Agreement between the City and Wells Fargo Bank, National Association, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"General Tax Interest Account" means the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023, General Tax Interest Account," created in Section 501 hereof.

"General Tax Principal Account" means the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023, General Tax Principal Account," created in Section 501 hereof.



"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).

"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.

"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:

- (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.

"Mayor" means the de jure or de facto Mayor of the City, or his or her successor in functions, if any.

"Maximum Interest Rate" has the meaning assigned thereto in the Continuing Covenant Agreement and set forth in the Certificate of the Finance Director.

"NRS" means Nevada Revised Statutes.

"newspaper" means a newspaper printed in the English language, published at least once each calendar week.

"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 or otherwise relating to the Project, as the case may be, 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 the same 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 305 or 1209 hereof.

"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.

"Paying Agent" means Zions Bancorporation, National Association, or any successor paying agent for the Bonds which may be appointed by the Finance Director of the City.

"Parity Securities" means the Outstanding 2013A Bonds, 2022 Bonds and any other bonds or securities which have a lien on all or a portion of the Consolidated Tax Pledged Revenues and/or all or a portion of the Room Tax Pledged Revenues that is on a parity with the lien on the Consolidated Tax Pledged Revenues and the Room Tax Pledged Revenues of the Bonds herein authorized. For the avoidance of doubt, the 2022 Bonds are secured by a lien on the Consolidated Tax Pledged Revenues; however, the 2022 Bonds are not secured by a lien on the Room Tax Pledged Revenues.

"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.

"Pledged Revenues" means the Consolidated Tax Pledged Revenues after deduction of the payment of (i) the Bond Requirements of the Outstanding Superior Securities, (ii) the Bond Requirements of any bonds hereafter issued on a parity with any of the Outstanding Superior Securities, and (iii) the reserve and rebate requirements associated with such bonds; and the Room Tax Pledged Revenues.

The Pledged Revenues means all or a portion of the Pledged Revenues.

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 sources if the Council is authorized to include and elects to include the additional sources in "Pledged Revenues" for the remaining term of the Bonds.

"Pledged Revenues Account" means the special account designated as the "City of Reno, Nevada, Capital Improvement Revenue Account" heretofore created and continued in the ordinance authorizing the issuance of the 2013A Bonds and continued herein, which shall be held separate and apart from the Bond Fund.

"Project" means the refunding of the Refunded Bonds and paying the costs of issuance of the Bonds.

"Project Act" means NRS Chapter 360, Chapter 19, Section 37, Statutes of Nevada 1991, Chapter 432, Statutes of Nevada 1999, as amended by Chapter 334, Statutes of Nevada 2001, NRS 268.672 to 268.740, inclusive, and the City's Charter, as amended from time to time.

"Rebate Account" means the "City of Reno, Nevada, General Obligation (Limited Tax) Refunding Bonds, Rebate Account" created in Section 607 hereof.

"Redemption Account" means the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023 Redemption Account" created in Section 401A hereof.

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

"Redemption Price" means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof 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.

"Registrar" means Zions Bancorporation, National Association, or any successor paying agent for the Bonds which may be appointed by the Finance Director of the City.

"Regular Record Date" means the last day of the calendar month next preceding each interest payment date.

"Room Tax Pledged Revenues" means the revenues received by the City pursuant to the Bowling Facility Tax and the 1999 Tax.

"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 in Section 302 hereof. At least 10 days' notice will be given by the Paying Agent electronically or otherwise to the registered owners of the Bond as stated on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record and the date fixed for the payment of such defaulted interest.

"State" means the State of Nevada, in the United States.

"Subordinate Securities" means Outstanding 2006 Bond and any other bonds or securities which have a lien on all or a portion of the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds herein authorized.

"Superior Securities" means the Outstanding 2005C Bonds, 2019A-1 Bonds, 2019A-2 Bonds and any other bonds or securities which have a lien on all or a portion of the Consolidated Tax Pledged Revenues and/or all or a portion of the Room Tax Pledged Revenues that is (i) superior to the lien on the Consolidated Tax Pledged Revenues and the Room Tax Pledged Revenues of the Outstanding 2013A

Bonds and the Bonds herein authorized, and (ii) superior to the lien on the Consolidated Tax Pledged Revenues of the Outstanding 2022 Bonds.

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

"Taxable Rate" has the meaning assigned thereto in the Continuing Covenant Agreement "Taxes" means General Taxes.

"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.

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

(1) Words in the singular number include the plural, and words in the plural include the singular.

(2) 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.

(3) The titles and leadlines 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.

(4) Any securities payable from any 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 103. Successors. Whenever herein the City is named or is referred to, such provision shall be deemed to include any successors of the City, respectively, 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 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 104. 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 105. 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 toward the Project and toward the sale of the Bonds to the Purchaser for that purpose, hereby is ratified, approved and confirmed.

Section 106. 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 (subject to the provisions of Section 1001 and of Article XII hereof), if any Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, except as herein otherwise expressly provided.

Section 107. Repealer. All bylaws, orders and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of the inconsistency. This repealer shall not be construed to revive any bylaw, order or other instrument, or part thereof, heretofore repealed.

Section 108. Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Section 109. Publication of Proposed Ordinance. When first proposed, this Ordinance shall be read to the Council by title, after which an adequate number of copies of the proposed Ordinance must be filed with the City Clerk for public distribution. Notice of the filing shall be published once in a newspaper of general circulation in the City, at least 10 days before the adoption of this Ordinance, such publication to be in substantially the following form:

(Form of Publication of Introduction of Ordinance)

**BILL NO.**

**ORDINANCE NO.**

**(of the City of Reno, Nevada)**

**AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF RENO, NEVADA OF ITS GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2023 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$28,000,000 FOR THE PURPOSE OF REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; AND PROVIDING OTHER MATTERS RELATING THERETO.**

**PUBLIC NOTICE IS HEREBY GIVEN**, that an adequate number of typewritten copies of the above-entitled proposed Ordinance are available for public inspection and distribution at the office of the City Clerk of the City of Reno, at her office in City Hall, One East First Street, Reno, Nevada and that such Ordinance was proposed on May 24, 2023 and will be considered for adoption at a meeting of the City Council of the City of Reno on June 7, 2023.

/s/ Mikki Huntsman  
City Clerk

(End of Form of Publication of Introduction of Ordinance)

Section 110. Publication After Adoption of Ordinance: Effective Date. After this Ordinance is adopted, signed by the Mayor and attested and sealed by the City Clerk, this Ordinance shall be in effect on the day of its publication once by its title only, together with the names of the Council Members voting for or against its passage, such publication to be made in 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.**

**ORDINANCE NO.**

**(of the City of Reno, Nevada)**

**AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF RENO, NEVADA OF ITS GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2023 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$28,000,000 FOR THE PURPOSE OF REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; AND PROVIDING OTHER MATTERS RELATING THERETO.**

**PUBLIC NOTICE IS HEREBY GIVEN**, that the above-numbered and entitled Ordinance was proposed by Councilmember \_\_\_\_\_ on May 24, 2023, and was passed and adopted at a regular meeting of the City Council of the City of Reno on the June 7, 2023, by the following vote of the City Council:

Those Voting Aye: \_\_\_\_\_  
\_\_\_\_\_

Those Voting Nay: \_\_\_\_\_  
\_\_\_\_\_

Those Absent: \_\_\_\_\_  
\_\_\_\_\_

This Ordinance shall be in full force and effect from and after the \_\_\_\_ day of \_\_\_\_\_, 2023, i.e., the date of publication of such Ordinance by title only.

**IN WITNESS WHEREOF**, the City Council of the City of Reno, Nevada, has caused this Ordinance to be published by title only.

**DATED** this June 7, 2023.

/s/ Hillary Schieve

Mayor

Reno, Nevada

Attest:

/s/ Mikki Huntsman

City Clerk

(End of Form of Publication of Adoption of 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. Authorization for this Ordinance. This Ordinance is adopted pursuant to the Project Act and the Bond Act; 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 Project 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 and the total cost of the Project has been and hereby is approved.

Section 202. Life of the Project. The City has determined and does hereby declare that the Bonds shall mature at times not exceeding the remaining estimated life or estimated period of usefulness of the project to be refinanced with the proceeds of the Bonds.

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 Purchase Proposal. The Finance Director, or in such officer's absence, the City Manager, is authorized to execute the Certificate of the Finance Director and accept the Bond Purchase Proposal submitted by the Purchaser for the purchase of the Bonds as set forth in the preambles hereof.

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

Section 206. 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 Outstanding 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 207. General Obligations. The full faith and credit of the City are hereby pledged to the payment of the Bond Requirements of the Bonds; 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 208. 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, subject to and after any superior liens on such Pledged Revenues of any Superior Securities, on a parity with any liens on the Pledged Revenues of any Parity Securities and superior to any liens on the Pledged Revenues of any Subordinate Securities. The payment of any amounts owed by the City under the Forward Fixed Rate Lock Agreement are payable, from but not secured by a lien on, the Pledged Revenues after the payment of all other obligations of any kind payable from or secured by the Pledged Revenues.

Section 209. 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 210. 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 City 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 "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2023," in the aggregate principal amount necessary to effect the Project, are hereby authorized to be issued, pursuant to the Project Act and the 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.

Bond Details. The Bonds shall be issued payable in fully registered form, i.e.,

registered as to both principal and interest and shall be dated the date of delivery of the Bonds. The Bonds shall be issued as a single Bond. The installments of principal of the Bond shall bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) at the rate(s) shown in the Certificate of the Finance Director from the date of delivery of the Bond (not to exceed by more than 3 percent the Index of Twenty Bonds most recently published in The Bond Buyer before a negotiated offer for the Bond is accepted), payable on June 1 and December 1 of each year, commencing on December 1, 2023; provided that any Bond which is reissued upon transfer, exchange or other replacement shall bear interest at the rate(s) set forth in the Certificate of the Finance Director from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bond. The installments of principal of the Bond shall be payable on the dates and in the amounts designated in the Certificate of Finance Director. Upon the occurrence and during the continuance of a CCA Event of Default under in the Continuing Covenant Agreement, the Bonds shall bear interest at the Default Rate under the terms of the Continuing Covenant Agreement. Upon the occurrence and during the continuance of a Determination Taxability, the Bonds shall bear interest at the Taxable Rate under the terms of the Continuing Covenant Agreement.

If the amount of interest payable for any period in accordance with the terms of this Ordinance and the Continuing Covenant Agreement exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate.

Any interest that would have been due and payable for any period but for the operation of the immediately preceding paragraph (a) shall accrue and be payable as provided in this paragraph (b) and shall, less interest actually paid to each Bondholder for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate until payment to each Bondholder of the entire Excess Interest Amount.

Notwithstanding the foregoing two paragraphs, on the date on which no principal amount with respect to the Bonds remains unpaid, the City shall pay to each Bondholder a fee equal to any accrued and unpaid Excess Interest Amount.

Installments of principal and interest on the Bond prior to maturity or final prepayment shall be payable to the registered owner thereof as shown on the registration records kept by Zions Bancorporation, National Association, the registrar for the Bond (the "Registrar"), by check or draft mailed by Zions Bancorporation, National Association, the paying agent for the Bond (the "Paying

Agent"), by wire transfer or other electronic means or, upon request of the registered owner, by such alternative means as may be mutually agreed to between the owner of the Bond and the Paying Agent (provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the due dates of interest and principal, respectively). The final installment of principal and interest on the Bond at maturity or upon final prepayment shall be payable upon presentation and surrender at the corporate trust office of the Paying Agent or at such other office as designated by the Paying Agent. If the Bond shall not be paid when such installment is due or upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate set forth in the Certificate of the Finance Director.

All such payments shall be made in lawful money of the United States of America.

Payment of interest on the Bond shall be made to the registered owner thereof 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 such owner's address as shown on the registration records kept by the Registrar at the close of business on the Regular Record 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. "Business Day" means any day other than a Saturday or Sunday on which banks in Nevada and New York, New York are open for commercial banking business and any day other than a day on which the New York Stock Exchange is closed. 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 owner of the Bond not less than ten days prior thereto electronically or otherwise to such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

Section 302. Prepayment. The Bond, or installments of principal thereof, maturing on and after the date, if any, set forth in the Certificate of the Finance Director, shall be subject to prepayment prior to the due date of the principal installments, at the option of the City as directed by the Finance Director on and after the date set forth in the Certificate of Director, in whole or in part as set forth in the Certificate of the Finance Director, for the principal amount of the Bond so prepaid and accrued interest thereon to the prepayment date, and a premium, if any, computed in accordance with the scheduled as set forth in the Certificate of the Finance Director.

Unless waived by any registered owner of a Bond to be redeemed, notice of prior

prepayment shall be given by the Registrar, electronically or otherwise, at least 30 days but not more than 60 days prior to the Redemption Date to the registered owner of the Bond at such owner's address as it last appears on the registration records kept by the Registrar. The notice shall identify the Bond 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 (accrued interest to the Redemption Date being payable by electronic means or as otherwise provided in this Ordinance), and that after such Redemption Date interest will cease to accrue. After such notice and presentation of said Bond, the Bond called for prepayment will be paid. Actual receipt of notice by any registered owner of the Bond shall not be a condition precedent to prepayment of the Bond. Failure to give such notice to the registered owner or any defect therein, shall not affect the validity of the proceedings for the prepayment thereof. A certificate by the Registrar that notice of call and prepayment has been given as provided in this Section shall be conclusive as against all parties; and no owner whose Bond is called for prepayment 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 prepayment.

Notwithstanding the provisions of this Section, any notice of prepayment may contain a statement that the prepayment is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for prepayment sufficient to pay the prepayment price of the Bond so called for prepayment, and that if such funds are not available, such prepayment shall be canceled by written notice to the owner of the Bond called for prepayment in the same manner as the original prepayment notice was given.

Section 303. Registration, Transfer and Exchange of Bonds.

A. Records for the registration and transfer of the Bond 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 such owner's 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 and of the same maturity, bearing a number or numbers not previously assigned. 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 prepayment of a Bond.

B. 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 such owner's legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations 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.

C. 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 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 prepayment, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

D. 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 Finance Director and the City, upon request.

E. The Registrar shall not be required to transfer or exchange (i) any Bond subject to prepayment during a period beginning at the opening of business 15 days before the day the Registrar gives a notice of prepayment of the Bond and ending at the close of business on the day of giving such notice, or (ii) any Bond after the giving of notice calling such Bond or any portion thereof for prepayment as herein provided.

F. The Bond may be transferred without limitation to any affiliate of the registered owner or to a trust or custodial arrangement established by the registered owner or an affiliate of the registered owner, each of the beneficial owners of which are "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Bond may be transferred to another purchaser (other than an affiliate of the registered owner or a trust or custodial



arrangement as described in the preceding sentence) in authorized denominations of \$250,000 and any integral multiple of \$1,000 in excess thereof if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the City and the Registrar by such transferor and (ii) such purchaser shall have delivered to the City, the Registrar and the transferor an investor letter in the form of the letter attached as Exhibit B to the Bond to the City and the Registrar and executed by a duly authorized officer of such purchaser; provided that each such purchaser shall constitute (1) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, and (2) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this Section, of not less than \$5,000,000,000.

Section 304. 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 pursuant to NRS 350.638, the Mayor of the City Council of the City, the City Clerk and the City Treasurer shall each file with the Secretary of State of the State of Nevada 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, electronic or facsimile of the signature of the Mayor shall be countersigned and executed with the manual, electronic or facsimile of the signatures of the City Treasurer and shall be authenticated with the manual, electronic or facsimile impression of the official seal of the City; and shall be signed, executed, and attested with such a manual, electronic or facsimile signature of the City Clerk.

C. Authentication. No Bond shall be valid or obligatory for any purpose unless the registration panel, substantially in the form hereinafter provided, has been duly manually or electronically executed by the Registrar. By executing the registration panel of the Bond delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

Section 305. 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 the Mayor, the City Treasurer and City Clerk, at the time of the execution of the Bonds and of a signature certificate pertaining thereto by the Mayor, the Treasurer and the City Clerk, 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 306. Incontestable Recital in Bonds. Pursuant to NRS 350.628, each Bond shall recite that it is issued pursuant to the Project Act, and to the Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 307. 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 for 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 308. Bond Execution. The Mayor, the City Treasurer, and the City Clerk are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

Section 309. Bond Delivery. After such registration of the Bonds by the Registrar pursuant to Section 304 and after their execution and authentication pursuant to Section 305 and other provisions herein supplemental thereto, the Finance Director 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 310. 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 Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE AND ANY SUCH TRANSFER MUST BE IN ACCORDANCE WITH THE ORDINANCE

**CITY OF RENO, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
CAPITAL IMPROVEMENT REFUNDING BOND  
(ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 2023**

NO. \_\_\_\_\_ \$ \_\_\_\_\_

Interest Rate \_\_\_\_\_ Maturity Date \_\_\_\_\_ Dated As Of \_\_\_\_\_ CUSIP \_\_\_\_\_

\_\_\_\_\_% per annum June 1, \_\_\_\_ \_\_\_\_\_ 1, 2023

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Reno in the County of Washoe and in the State of Nevada (the "City" the "County," and the "State", respectively), for value received hereby acknowledges itself to be indebted and promises to pay to pay to the registered owner specified above the principal amount specified above, maturing in installments on the dates and in the amounts set forth in Exhibit A attached hereto, and to pay interest thereon on June 1 and December 1 of each year, commencing on December 1, 2023, at the interest rate per annum specified above calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or payment has been provided for, or, if no interest has been paid, from the date of this bond (this "Bond").

The final installment of principal and interest on this Bond, or final payment upon prepayment in full, is payable upon presentation and surrender of this Bond at the office designated by the City's paying agent for this Bond (the "Paying Agent"), presently Zions Bancorporation, National Association, who is also now acting as the City's Registrar for this Bond (the "Registrar"). Installments of principal and interest on this Bond prior to the final payment will be made by check or draft mailed by the Paying Agent, or by wire transfer or other electronic means, without presentation and surrender on each payment date (or, if such date is not a Business Day (as defined herein), on the next succeeding Business Day) to the person in whose name this Bond is registered (the "Registered Owner") in the registration records of the City maintained by the Registrar, at the address appearing thereon as of the close of business on the last day of the calendar month preceding such payment date. "Business Day" means any day other than a

Saturday or Sunday on which banks in Nevada and New York, New York are open for commercial banking business and any day other than a day on which the New York Stock Exchange is closed. Alternative means of payment of principal and interest may be used if mutually agreed to by the Registered Owner and the Paying Agent, as provided in the ordinance of the City Council of the City (the "Council") authorizing the issuance of this Bond (the "Ordinance") duly adopted by the Council on June 7, 2023. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance. All such payments of principal and interest shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

Upon the occurrence and continuance of a CCA Event of Default, this Bond shall bear interest at the Default Rate. Upon the occurrence and continuance of a Determination of Taxability, this Bond shall bear interest at the Taxable Rate. If the amount of interest payable for any period in accordance with the terms of the Ordinance and the Continuing Covenant Agreement or this Bond exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest Rate as set forth in the Certificate of the Finance Director, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate and as otherwise provided in the Ordinance and the Continuing Covenant Agreement.

Interest on this Bond will be paid on each interest payment date (or if such date is not a Business Day, on the next succeeding Business Day) by check or draft mailed, or by wire transfer or other electronic means, to the Registered Owner in the registration records of the City maintained by the Registrar, at the address appearing therein, as of the close of business on the last 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 as of the close of business on the Regular Record Date and shall be payable to the person who is the Registered Owner as of the close of business on a special record date for the payment of any defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest and notice of the Special Record Date shall be given electronically or otherwise to the Registered Owner not less than ten days prior thereto.

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 payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Ordinance with respect to Regular Record and Special Record Dates for the payment of interest.

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 principal office of the Registrar by the Registered Owner or his attorney duly authorized in writing, but only in the manner, subject to the limitations and conditions provided in the Ordinance.

This Bond may be transferred without limitation to any affiliate of the Registered Owner or to a trust or custodial arrangement established by the Registered Owner or an affiliate of the Registered Owner, each of the beneficial owners of which are "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. This Bond may be transferred to another purchaser (other than an affiliate of the Registered Owner or a trust or custodial arrangement as described in the preceding sentence) in authorized denominations of \$250,000 and any integral multiple of \$1,000 in excess thereof if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the City and the Registrar by such transferor and (ii) such purchaser shall have delivered to the City, the Registrar and the transferor an investor letter in the form of the letter attached as Exhibit B to this Bond to the City and the Registrar and executed by a duly authorized officer of such purchaser; *provided* that each such purchaser shall constitute (1) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, and (2) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this Section, of not less than \$5,000,000,000.

This Bond is not transferable or exchangeable except as set forth in the Ordinance.

This Bond is issuable solely as a fully registered single Bond and is fully transferable by the Registered Owner in person or by such owner's duly authorized attorney on the registration records kept by the Registrar upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar.

The installments of principal on the Bond are subject to prepayment as set forth in the Certificate of the Finance Director in whole or in part, on any date commencing on and after \_\_\_\_, 20\_\_ at prices as set forth in the Certificate of the Finance Director.

The Bonds are issued by the City and upon the credit thereof, for the purpose of defraying wholly or in part, the cost of refunding certain outstanding obligations of the City, under the authority of and in full conformity with the Constitution and laws of the State and the City 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 revenues derived by the City from the 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 "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023 Bond Fund," into which account the City covenants to pay from the revenues derived 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, subject to and after any superior liens on such Pledged Revenues of any Superior Securities, on a parity with the liens on the Pledged Revenues of any Parity Securities and superior to the liens on the Pledged Revenues of any Subordinate Securities. Bonds and other securities, in addition to the Bonds, 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 superior to or on a parity with the lien, of the Bonds, 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, the City Charter, NRS Chapter 360, Chapter 19, Section 37, Statutes of Nevada 1991, Chapter 432, Statutes of Nevada 1999, as amended by Chapter 334, Statutes of Nevada 2001, NRS chapter 268 (collectively, the "Project Act"), and NRS 350.500 through 350.720, and all laws amendatory thereof, designated in Section 350.500 thereof as the Local Government Securities Law, and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, 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 Project Act, the Local Government Securities Law, and the Supplemental Bond Act, and pursuant to NRS 350.628, 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, 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 for 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 Project Act, the Local Government Securities Law, 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 City Council of the City, any individual member 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 the Registrar shall have manually or electronically signed the registration panel as to principal and interest appended 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, electronic or facsimile signature of the Mayor, to be countersigned and executed with the manual, electronic or facsimile signature of the City Treasurer and has caused a manual impression, electronic 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, electronic or facsimile signature of the City Clerk, all as of the dated date hereof.

CITY OF RENO, NEVADA

(Manual, Electronic or Facsimile  
Signature)

Mayor

Reno, Nevada

Countersigned:

(Manual, Electronic or Facsimile Seal)

(Manual, Electronic or Facsimile Signature) City  
Treasurer

Attest:

(Manual, Electronic or Facsimile Signature) City

Clerk

(End of Form of Bond)



(Form of Registration Panel)

**REGISTRATION PANEL**

This Bond must be registered as to both principal and interest on the registration records of the City, kept by Zions Bancorporation, National Association, as the Registrar. After registration as to principal and interest, the Registrar shall note such registration on such registration records and in the registration blank below, and the principal and interest on this Bond shall be paid to such Registered Owner. This Bond may be transferred by the Registered Owner or such Owner's legal representative only upon a duly executed assignment in form satisfactory to the Registrar, such transfer to be made on said registration records and endorsed hereon.

Every privilege, registration and transfer shall be exercised only in accordance with the authorizing Ordinance and such reasonable rules and regulations as the Registrar may prescribe.

<b><u>Date of Registration</u></b>	<b><u>Name of Registered Owner</u></b>	<b><u>Signature of Registrar</u></b>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(End of Form of Registration Panel)

(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:

<u>Date of Prepayment</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>

(End of Form of Prepayment Panel)

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfer 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 and 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)

**EXHIBIT A**

**(Insert Principal Installment Schedule)**

**EXHIBIT B**  
**FORM OF INVESTOR LETTER**

[DATE]

City of Reno  
1 East First Street.  
Reno, Nevada 89502

City of Reno, Nevada  
General Obligation (Limited Tax) Capital Improvement Refunding Bonds  
(Additionally Secured by Pledged Revenues)  
Series 2023 Ladies

and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the above-captioned bonds issued as a single Bond (the "*Bond*"), dated \_\_\_\_\_, 2023. \_\_\_\_\_ (the "*Purchaser*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Bond issued by the City of Reno, Nevada (the "*Issuer*"). We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Bond has not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*") or the securities laws of any state. We acknowledge that the Bond (i) is not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, and (iii) will not carry a rating from any rating service.
2. We have not offered, offered to sell, offered for sale or sold the Bond by means of any form of general solicitation or general advertising, and we are not an underwriter of the Bond within the meaning of Section 2(11) of the 1933 Act.
3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the purchase of the Bond.
4. We have authority to purchase the Bond and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Bond.
5. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.
6. The Purchaser is (a) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act or (b) is a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic

Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus of not less than \$1,000,000,000 as of the date hereof, and is able to bear the economic risks of the purchase of the Bond.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bond. The undersigned has made its own inquiry and analysis with respect to the Issuer, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond.

8. The undersigned acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Issuer as it has requested to which a reasonable purchaser would attach significance in making a decision to purchase the Bond and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bond and the security therefor, so that as a reasonable purchaser, it has been able to make its decision to purchase the Bond.

9. The Bond is being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Bond, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

- (a) that is an affiliate of the Purchaser;
- (b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or
- (c) that the Purchaser reasonably believes to be a qualified institutional buyer and a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date of such sale, transfer or distribution who executes an investor letter substantially in the form of this letter.

Very truly yours,

\_\_\_\_\_, AS PURCHASER

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## 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 accounted for in the following manner and priority and are hereby pledged therefor:

A. Redemption Account. First, there shall be deposited into a special account

hereby created and designated as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023 Redemption Account" (the "Redemption Account") to be held by the Finance Director an amount fully sufficient to establish, together with any other moneys therein (including any monies deposited therein from the debt service fund for the Refunded Bonds), any initial cash balance remaining uninvested for credit to the Redemption Account, to be used solely for the purpose of paying the Bond Requirements of the Refunded Bonds on the redemption date set forth in the Certificate of the Finance Director.

B. Costs of Issuance Account. Second, except as herein otherwise expressly provided, the proceeds derived from the sale of the Bonds remaining after the deposit required by subsection A of this Section have been made shall be credited to a separate account hereby created and to be known as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023 Costs of Issuance Account" (the "Costs of Issuance Account"), to be used to pay the costs of issuance of the Bonds pursuant to NRS 350.516.

Section 402. Moneys for Project. All moneys received and held by the City for the Project from all sources, except for the Redemption Account, but 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 Costs of Issuance 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 Costs of Issuance Account, hereinabove created in Section 401B hereof.

Section 404. Prevention of Bond Default. The City shall use any Bond proceeds credited to the Costs of Issuance 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 Finance Director shall promptly notify the Mayor of any such use. Any moneys so used shall be restored to the Costs of Issuance Account, from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 603 through 607 hereof.



Section 405. Completion of Project. When any amounts in the Costs of Issuance Account are no longer needed to pay the cost of the Project, the Finance Director shall cause to be transferred to the Bond Fund all surplus moneys remaining in the Costs of Issuance Account, if any, except for any moneys designated by the Finance Director 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 Finance Director from causing to be transferred from the Costs of Issuance 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 Costs of Issuance Account of any moneys in the Costs of Issuance 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 acquisition of the improvements, 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. Maintenance of Redemption Account.

A. The Redemption Account shall be maintained by the City in an amount at the time of the initial deposits therein and at all times subsequently at least sufficient to pay the interest due in connection with the Refunded Bonds, both accrued and not accrued, as the same becomes due up to and including the redemption date for the Refunded Bonds as set forth in the Certificate of the Finance Director (the "Refunded Bonds Redemption Date") and to redeem on the Refunded Bonds Redemption Date the Refunded Bonds at a redemption price equal to the principal amount thereof, accrued interest to the redemption date, plus any applicable redemption premium.

B. Moneys shall be withdrawn by the City from the Redemption Account in sufficient amounts and at such times to permit the payment without default to pay the principal, interest and any redemption premium of the Refunded Bonds on the Refunded Bonds Redemption Date. The City shall call for prior redemption of the Refunded Bonds on the Refunded Bonds Redemption Date as set forth in the Certificate of the Finance Director. Any moneys remaining in the Redemption Account after provision shall have been made for the redemption in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the Finance Director may hereafter determine.

C. If for any reason the amount in the Redemption Account shall at any time be insufficient for its purpose, the City shall forthwith from the first moneys available therefor from the Pledged Revenues deposit in such account such additional moneys as shall be necessary to permit the payment in full of the principal, interest and any redemption premiums due in connection with the Refunded Bonds as herein provided.

Section 409. Redemption of Refunded Bonds. In accordance with the ordinance authorizing the issuance of the Refunded Bonds, the City hereby elects to call for prior redemption the Refunded Bonds set forth in the Certificate of the Finance Director on the redemption dates as provided in the Certificate of the Finance Director, at the price equal to the principal amount of each Refunded Bond, or portion thereof, so redeemed, and premium, if any, as set forth in the Certificate of the Finance Director and in accordance with this Ordinance and the ordinance authorizing the Refunded Bonds. The registrar for the Refunded Bonds is authorized to give notices of prior redemption and defeasance of the Refunded Bonds (conditional or otherwise) in accordance with the terms of the Certificate of the Finance Director, this Ordinance and the ordinance authorizing the issuance of the Refunded Bonds.

## **ARTICLE V**

### **GENERAL TAXES**

Section 501. General Tax Levies. Pursuant to NRS 350.596, the Bond Requirements of the Bonds falling due at any time when there are not on hand from General Tax levies sufficient funds to pay the same, shall be paid out of the general fund of the City or out of any other funds that may be available for such purpose. For the purpose of repaying any moneys so paid from any such fund or funds (other

than any moneys available for the payment of such Bond Requirements on other than a temporary basis) and for the purpose of the payment thereafter of the Bonds and the interest thereon, there are hereby created the separate and special accounts known respectively as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023, General Tax Principal Account" (the "2023 General Tax Principal Account" or the "General Tax Principal Account") and as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023, General Tax Interest Account" (the "2023 General Tax Interest Account" or the "General Tax Interest Account"). Pursuant to NRS 350.592 and 350.594, there shall be levied in the calendar year 2023 (if necessary to implement this Ordinance), 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 to reimburse such funds for such installments of Bond Requirements, together with the revenue which will result from application of the rate to the net proceeds of minerals, to pay the interest on the Bonds, and to pay and retire the same as hereinabove provided, and after there are made due allowances for probable delinquencies. The proceeds of the annual levies shall be duly credited to such separate accounts for the payment of the Bond Requirements. In the preparation of the annual budget or appropriation resolution or ordinance for the City, the City 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, Nevada Constitution, and the amount of money necessary for this purpose shall be a first charge against all the 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 may exceed the limitation of \$3.64 on each \$100 of assessed valuation, or a lesser or greater amount fixed by the State board of examiners if the State board of examiners is directed by law to fix a lesser or greater amount for that Fiscal Year as provided in NRS 361.453, and it shall become necessary by reason thereof to reduce the levies made by any and all such 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 City 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 issued in accordance with Section 910 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 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 principal of and interest on the Bonds have been wholly paid.

## ARTICLE VI

### ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 601. Pledge Securing Bonds; Amounts Payable from Pledged Revenues.

Subject only to the right of the City to cause amounts to be withdrawn to pay the cost of the Project as provided herein, all of 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, however, all amounts held in the Rebate Account and the Redemption Account, are hereby pledged to secure the payment of the Bond Requirements of the Bonds; and 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 the superior liens on the Pledged Revenues of the Outstanding Superior Securities and any securities hereafter issued on a parity with any of the Outstanding Superior Securities and the parity liens on the Pledged Revenues of the Outstanding Parity Securities and superior to the subordinate liens on the Pledged Revenues of the Outstanding Subordinate Securities, and except for any Outstanding securities hereafter authorized the liens of which on all or a portion of the Pledged Revenues are superior to or on a parity with the lien thereon of the Bonds; 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. The payment of any amounts owed by the City under the Forward Fixed Rate Lock Agreement are payable, from but not secured by a lien on, the Pledged Revenues after the payment of all other obligations of any kind payable from or secured by the Pledged Revenues.

Section 602. Pledged Revenues Account Deposits. There is hereby continued in this Ordinance a special account designated as the "City of Reno, Nevada, Capital Improvement Revenue Account" (the "Pledged Revenues Account"). So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the Bowling Facility Tax pursuant to the 1991 Act, except for amounts refunded to taxpayers as provided in such statutes and ordinances, shall be set aside upon the receipt of such revenues by the City and credited to the "Bowling Facility Tax Subaccount" of the Pledged Revenues Account, which account shall be held and maintained by the City. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the 1999 Tax pursuant to the 1999 Act, except for

amounts refunded to taxpayers as provided in such statutes and ordinances, shall be set aside upon the receipt of such revenues by the City and credited to the "1999 Tax Subaccount" of the Pledged Revenues Account, which account shall be held and maintained by the City. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the Consolidated Tax Pledged Revenues, pursuant to the Consolidated Tax Act, except for amounts refunded to taxpayers as provided in such statutes and ordinances, shall be set aside upon the receipt of such revenues by the City and credited to the "Consolidated Tax Pledged Revenues Subaccount" of the Pledged Revenues Account, which account shall be held and maintained by the City. The Pledged Revenues Account shall be maintained by the City separate and apart from all other City funds, including the Bond Fund.

Section 603. Administration of Pledged Revenues Account. So long as any of the Bonds hereby authorized shall be Outstanding, as to any Bond Requirements, each Fiscal Year the Pledged Revenues Account shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in Sections 604 through 607 hereof; provided, however, that the Pledged Revenues shall be allocated and distributed in the following order of priority: first, the Room Tax Pledged Revenues and second, the remaining Consolidated Tax Pledged Revenues, after deduction of the payment of (i) the Bond Requirements of the Outstanding Superior Securities, (ii) the Bond Requirements of any bonds hereafter issued on a parity with any of the Outstanding Superior Securities, and (iii) the reserve and rebate requirements associated with such bonds.

Section 604. Superior Bond Fund and Bond Fund Payments for the Bonds.

A. First, from any moneys in the Pledged Revenues Account, i.e., from the Pledged Revenues, there shall be credited to any bond fund created to pay the principal of, interest on and prior redemption premiums, if any, due on any Superior Securities issued in accordance with the provisions of this Ordinance:

- (1) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Superior Securities, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Superior Securities then Outstanding.
- (2) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next

installment of principal of the Superior Securities coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Superior Securities coming due at maturity, or, if any, an amount sufficient to pay the principal of, interest on and any prior redemption premiums due on the outstanding Superior Securities.

B. Second, subject to the provisions of Section 606 hereof, the following transfers shall be credited to a separate and special account hereby created and to be known as the "City of Reno, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2023 Bond Fund" (the "Bond Fund") concurrently with the payments required for any Parity Securities hereafter issued into the bond funds therefor, as required by the ordinances authorizing those Parity Securities:

- (1) Monthly, commencing on the first of the month following the date of the closing of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.
- (2) Monthly, commencing one year before the first principal maturity date of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due. Such Bond Fund shall be maintained by the City separate and apart from all other City funds, including the Pledged Revenues Account

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 Outstanding Bonds 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 those two accounts and any other moneys derived from the Pledged Revenues shall be applied as hereafter provided.

Section 606. Payment of Additional Securities. Third, and subject to the provisions hereinabove in this Article, but either 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 Pledged Revenues Account may be used by the City for the payment of 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 as herein provided. Payments for bond and reserve funds for any Superior Securities shall be made concurrently with the payments for Superior Securities required by Section 604 hereof. Payments for bond and reserve funds for the Bonds and any Parity Securities shall be made concurrently with the payments for the Bonds required by Section 604 hereof, but payments for bond and reserve funds for additional Subordinate Securities shall be made after the payments required by Sections 604 and 607 hereof.

Section 607. Payment of Rebate. Fourth, and subject to the provisions hereinabove in this Article, there shall be transferred into the "City of Reno, Nevada, General Obligation (Limited Tax) Refunding Bonds Rebate Account," hereby created, after making in full the monthly deposits required by Sections 604 and 606, 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 920 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 920 hereof and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose relating to the Project.

Section 608. Use of Remaining Revenues. After the payments hereinabove required to be made in this Article VI are made, any remaining Pledged Revenues in the Pledged Revenues Account may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Bond Fund, to the Rebate Account and to each other bond fund and reserve 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 relating to the Project, or otherwise, as the City may from time to time determine.

## 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 as determined and designated by the City (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 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 Outstanding 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, and not needed for immediate use, may be invested or reinvested by the City in any investments permitted under the laws of the State. For the purpose of any such investment or reinvestment, the securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 704. Required and Permissive Investments. The City shall not have any 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 the City shall invest or reinvest in securities 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. The City may invest or reinvest any moneys on hand at any time as provided in Section 703 hereof even though he is not obligated to do so.

Section 705. Accounting for Investments. The securities 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 in securities and from any deposits of moneys in any commercial bank pursuant to this Article shall be credited to that account, and any loss in any account resulting from any such investments and reinvestments in securities and from any such deposits in any commercial bank shall be charged or debited to that account. No loss or profit in any account on any investments or reinvestments in securities 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, securities 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 an expense of the Project and charged to the Costs of Issuance Account.

Section 706. Redemption or Sale of Investment Securities. The City shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any securities 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.

Section 707. Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States or permitted securities, 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 the Pledged Revenues or the Project. 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 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 of the Bonds. The Bonds authorized herein constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, subject to and after any superior liens on the Pledged Revenues of any Superior Securities, on a parity with the parity liens on the Pledged Revenues of any Parity Securities and superior to any liens on the Pledged Revenues of any Subordinate Securities.

Section 802. Equality of Bonds. The Bonds and any Parity Securities authorized to be issued and 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 other such 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 Securities or Parity Securities. Nothing herein, subject to the limitations stated in Sections 811 and 812 hereof, prevents the issuance by the City of additional bonds or other additional securities payable from all or a portion of the Pledged Revenues and constituting a lien thereon superior to or on a parity with, the lien thereon of the Bonds, 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 Pledged Revenues), except as provided in Sections 807 through 812 hereof; but before any such additional Superior Securities or Parity Securities are authorized or actually issued (excluding any Superior Securities or Parity Securities refunding such securities other than any securities refunding subordinate bonds or other 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, 606 or 607 hereof with respect to any Superior Securities or Parity Securities.

B. Earnings Test. Except as hereinafter otherwise provided: (1) 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,

commencing with the Bond Year in which the additional Superior Securities or Parity Securities are issued and ending on the Bond Year in which any then Outstanding Bonds last mature) 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 (excluding the reserves therefor); or, (2) the Pledged Revenues estimated by the Finance Director, independent feasibility consultant or an Independent Accountant to be derived in the first five Fiscal Years immediately succeeding the issuance of the other additional Superior Securities or Parity Securities proposed to be issued, shall be at least equal to such annual principal and interest requirements to be paid during such Fiscal Years.

C. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether or not additional Superior Securities or 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 Finance Director, independent feasibility consultant or Independent Accountant making the computations under this Section, which loss or gain results from any change in rate of levy of the taxes and impositions provided in the Consolidated Tax Act, the 1991 Act or the 1999 Act which will result in a change in the amount of Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Superior Securities or Parity Securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made 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.

Section 804. Certification of Revenues. A written certification or written opinion by the Finance Director, an independent feasibility consultant or an Independent Accountant, based upon estimates thereby as provided in Section 803B and 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 Superior Securities or Parity Securities.

Section 805. Subordinate Securities Permitted. Nothing herein, subject to the limitations stated in Sections 811 and 812 hereof, prevents the City from issuing additional Subordinate Securities payable from all or a portion of the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Section 806. Superior Securities Permitted. Nothing herein, subject to the requirements stated in this Article VIII hereof, prevents the City from issuing additional bonds or other additional securities

payable from all or a portion of the Pledged Revenues having a lien thereon prior and superior to the lien thereon of the Bonds.

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 Outstanding Bonds or other Outstanding securities payable from and constituting a lien upon any 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 Outstanding 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 808 through 812 hereof).

Section 808. Partial Refundings. The refunding bonds or other refunding securities so issued, 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 any 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 any 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 superior, parity or subordinate bonds or other additional superior, parity 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 in an ordinance authorizing such securities.



## 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 and the Project 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 the 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 Project Act, the 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. 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 Project Act 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 905. Covenant to Perform. The City shall observe and perform all of the terms and conditions contained in this Ordinance and the Project 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 906. Protective Security. The City and 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 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 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 all Bonds and 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. Additional Securities. Any other securities hereafter authorized to be issued and payable from 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 911. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Project, or any part thereof, or on or against the Pledged Revenues derived or to be derived.

Section 912. Corporate Existence. The City shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the City and is obligated by law to fix and collect the Pledged Revenues as herein provided without adversely affecting to any substantial degree at any time the privileges and rights of any owner of any Outstanding Bond.

Section 913. Finance Director's Report. If the City defaults in paying promptly the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues as the same fall due, or in the keeping of any covenants herein contained, and if such default continues for a period of 60 days, or if the Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding Bonds and any other securities (including all reserves therefor specified in the authorizing proceedings) payable from the Pledged Revenues in any such Bond Year, the Finance Director shall (a) submit to the Council a report on such deficiency and a proposal setting forth a plan to produce Pledged Revenues in the following Fiscal Year sufficient to pay such amounts, to the extent practicable and (b) submit to the Council quarterly reports on the progress made in implementing the plan so long as such default continues or so long as the Pledged Revenues are less than the amount hereinabove designated in this Section.

Section 914. Budgets. The City and officials of the City shall annually and at such other times as may be provided by law prepare and adopt a budget relating to the Project.

Section 915. Amendments to Consolidated Tax Act, 1991 Act or 1999 Act. The City shall not consent to any amendment of the Consolidated Tax Act, the 1991 Act or the 1999 Act which would materially and adversely affect the owners of the Bonds.

Section 916. Records. So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper records 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 records 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 917. 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. Any owner of any of the Bonds or any other securities payable from the Pledged Revenues, or any duly authorized agent or agents of such owner, 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.

Section 918. Tax Levies. The City annually shall levy, or cause to be levied, General Taxes on all taxable property in the City fully sufficient to pay the Bond Requirements of Outstanding Bonds (and any other indebtedness or other obligations of the City), except to the extent other revenues are available therefor, including, without limitation, the Pledged Revenues pledged for the payment of the Bonds, as the Bond Requirements accrue, reasonable allowance being made for delinquent tax collections anticipated at the time of each levy, at the time and in the manner provided by law for levying other Taxes; and the City and the Council shall require the officers of the City to levy, extend, and collect General Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds, other indebtedness, or general obligations. General Taxes for the Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Bonds, as herein provided.

Section 919. 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 effected without delay to the best of the City's ability and with due diligence, as herein provided.

Section 920. 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 project 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. 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 Bond as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

## ARTICLE X

### MISCELLANEOUS

Section 1001. Defeasance. When all Bond Requirements of any Bond has been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and that 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 Outstanding Bond 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 Clerk, Finance Director and Treasurer of the City, 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, a statement of insurance, if applicable, pertaining to the Bonds; and

B.               Final Certificates. The execution of such certificates electronically or otherwise 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,
- (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, and
- (6) The completion and execution electronically or otherwise by the Finance Director of the Certificate of the Finance Director, the Bond Purchase Proposal, if applicable, and an agreement with the Paying Agent and Registrar regarding obligations of the Paying Agent and Registrar hereunder in accordance with the provisions of this Ordinance;
- (7) The execution electronically or otherwise by the Finance Director of the Continuing Covenant Agreement and the Forward Fixed Rate Lock Agreement in substantially the forms as are currently on file with the Finance Director, with such changes which are agreed to by the Finance Director whose execution thereof shall be conclusive evidence of such agreement to any such changes.

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 Pledged Revenues Account, 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 or her 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 or her 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 Paying Agent and Registrar or of a 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 records 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. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent so appointed shall resign, or if the City shall reasonably determine that the Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, upon notice given electronically or otherwise 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. 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 Ordinance, 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 Ordinance to the contrary notwithstanding.



## ARTICLE XI

### PRIVILEGES, RIGHTS AND REMEDIES

Section 1101. Bondowner'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 Project Act and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in Sections 207 through 211 hereof, 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 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" under this Ordinance:

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, 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 920 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 owners of ten percent (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;

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 owners of ten percent (10%) in principal amount of the Bonds then Outstanding or the Purchaser of the Bonds; and

G. Default under Continuing Covenant Agreement. Any "Event of Default" as defined under the Continuing Covenant Agreement has occurred and is continuing after notice, if any, has occurred.

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 owner or owners or not less than ten percent (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, 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 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 the Bonds, shall be paid into the bond accounts for all parity securities on an equitable and prorated basis, 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 ten percent (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 Outstanding Bonds shall be subrogated to all rights of the City under any agreement, lease or other contract the Pledged Revenues entered into before the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding.

Section 1108. 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 Outstanding Bonds and any Outstanding parity securities.

## ARTICLE XII

### AMENDMENT OF ORDINANCE

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 owners of at least fifty-one percent (51%) 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 paragraph (4) of Section 102B 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 Outstanding 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. 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
- D. Priorities between Bonds. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or
- E. 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 electronically or otherwise not later than 30 days prior to the date of the proposed enactment of the amendment to each:

- (1) The Paying Agent,
- (2) The Registrar, and
- (3) The owner of each of the Bonds 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 Clerk for public inspection.

Section 1204. Time for Amendment. Whenever at any time within one year from the date of such notice, there shall be filed in the office of the Clerk an instrument or instruments executed by the owners of at least fifty-one percent (51%) 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 owners of at least fifty-one percent (51%) 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 an 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 publication of the notice above provided for in paragraph 2 of Section 1203A hereof, and shall be conclusive and binding upon all future owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of the notice, by the owner who gave the consent or by a successor in title by filing notice of the revocation with the Clerk, but the revocation shall not be effective if the owners of at least fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

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 of an instrument to that effect and with the consent of the owners of all the then Outstanding Bonds, 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 a certificate of the Finance Director, 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 Outstanding 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 paragraph (4) of Section 102B 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, ADOPTED AND APPROVED this June 7, 2023.

---

Hillary L. Schieve, Reno City Mayor

(SEAL)

Attest:

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Mikki Huntsman, Reno City Clerk

This Ordinance shall be in full force and effect from and after June 9, 2023, i.e., the date after the publication of such ordinance by its title.

STATE OF NEVADA            )  
                                          ) ss.  
CITY OF RENO                )

A. I am the duly chosen and qualified City Clerk of the City of Reno (herein "City"), Nevada, and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of an ordinance introduced at meeting of the City Council held on May 24, 2023, and the notice of filing of the proposed ordinance was published in a newspaper of general circulation in the City (an affidavit evidencing such publication is attached hereto as Exhibit C). The ordinance was referred to a committee, the committee reported the ordinance back to the City Council, and the ordinance was passed and adopted by the Council at a meeting held on June 7, 2023. The original of such ordinance has been approved and authenticated by the signature of the Mayor of the Council and myself as Clerk, published by title (an affidavit evidencing such publication is attached hereto as Exhibit D), and has been recorded in the minute book of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the City Council were present at the meeting on May 24, 2023 and voted on the referral of the ordinance as follows:

AYES:	Duerr, Taylor, Brekhus, Martinez, Ebert, Reese, Schieve
NAYS:	None
ABSTAIN:	None
ABSENT:	None

3. The members of the City Council were present at the meeting on June 7, 2023 and voted on the passage of the ordinance as follows:

AYES:	Taylor, Brekhus, Duerr, Martinez, Ebert, Reese, Schieve
NAYS:	None
ABSTAIN:	None
ABSENT:	None



B. The undersigned representative of the City Manager's Office does hereby certify:

1. All members of the Council were given due and proper notice of the meetings held on May 24, 2023 and June 7, 2023.

2. Public notice of such meetings (attached hereto as Exhibits A and B) was given and such meetings were held and conducted in full compliance with the provisions of NRS 241.020.

3. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notices of meetings of the Council in accordance with the provisions of NRS Chapter 241.

**IN WITNESS WHEREOF**, I have hereunto set my hand this June 7, 2023.

---

City Clerk

**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_\_\_, 2023.

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Representative City Manager's Office

**EXHIBIT A**

**(Attach Copy of Notice of Meeting held May 24, 2023)**

**EXHIBIT B**

**(Attach Copy of Notice of June 7, 2023 Meeting)**

**EXHIBIT C**

**(Attach Affidavit of Publication of Notice of Deposit of the Bond Ordinance)**

**EXHIBIT D**