

**RESOLUTION NO. 4324**

**(Accepting a Petition for Formation of a Local Improvement District and Approving the Form of the District Financing Agreement for Local Improvement District No. T-20 (Rainbow Canyon))**

**A RESOLUTION CONCERNING THE CITY OF HENDERSON, NEVADA, LOCAL IMPROVEMENT DISTRICT NO. T-20 (RAINBOW CANYON), ACCEPTING A PETITION FOR THE FORMATION OF THE DISTRICT AND APPROVING THE FORM OF THE DISTRICT FINANCING AGREEMENT.**

- WHEREAS,** the City Council (the "Council") of the City of Henderson, Nevada (the "City"), in the State of Nevada, has received a petition and application (the "Petition") for the formation of a local improvement district; and
- WHEREAS,** the owner (the "Owner") of the property to be assessed has executed the Petition, which requests that a local improvement district (the "District") be created in the City for the purpose of financing certain improvements described in the Petition (the "Improvements"); and
- WHEREAS,** Exhibit A, the proposed form of the Development and Financing Agreement between the City and Lake Las Vegas Recovery Acquisition, LLC, a Delaware limited liability company ("Developer") containing the provisions required by NRS 271.710 (the "Agreement"), attached hereto consisting of forty-one (41) pages, and incorporated by reference, is on file with the City Clerk; and
- WHEREAS,** Developer has made a security deposit with the City in the form acceptable to the Finance Director, or his designee, and in an amount determined by the Finance Director to be used to pay the costs associated with the formation of the District; and
- NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Henderson, Nevada, that:
- Section 1.** The Council hereby accepts the Petition. The District shall be known as City of Henderson Local Improvement District No. T-20 (Rainbow Canyon).
- Section 2.** The form, terms and provisions of the Agreement are approved, and the City shall enter into and perform its obligations under the Agreement in substantially the form of such document on file with the City Clerk, with only such changes therein as are required by the circumstances and are not inconsistent herewith; and the officers of the City are hereby authorized and directed to execute and deliver such documents as required hereby.
- Section 3.** All actions, proceedings, matters and things previously taken, had and done by the City, and the officers thereof (not inconsistent with the provisions of this resolution), concerning the District are ratified, approved and confirmed.

Accepting a Petition for Formation of a Local Improvement District and  
Approving the Form of the District Financing Agreement for Local Improvement  
District No. T-20 (Rainbow Canyon)

- Section 4. The officers of the City hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including, without limiting the generality of the foregoing, the preparation of all further necessary contract documents, legal proceedings, and other items necessary or desirable for the acquisition of the Improvements, for the creation of the District, and the levy of assessments against the properties therein specially benefitted by the Improvements.
- Section 5. Passage of this resolution does not obligate the City to create the District, issue bonds therefor, or to give any land use or other approvals to any projects in the District or elsewhere.
- Section 6. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, previously repealed.
- Section 7. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

PASSED, ADOPTED, AND APPROVED THIS 16<sup>TH</sup> DAY OF OCTOBER, 2018, BY THE  
FOLLOWING ROLL-CALL VOTE OF COUNCIL.

Those voting aye:  
Debra March, Mayor  
Councilmembers:  
John F. Marz  
Gerri Schroder  
Dan K. Shaw  
Dan H. Stewart

Those voting nay: None  
Those abstaining: None  
Those absent: None

  
Debra March, Mayor

ATTEST:  
  
Sabrina Mercadante, MMC, City Clerk

APN: 160-15-717-002, 160-15-212-001, 160-15-610-002,  
160-15-610-004, 160-15-611-001, 160-15-212-001,  
160-15-310-001, 160-15-611-001, 160-15-717-001,  
160-15-212-001, 160-15-610-001, 160-15-610-002,  
Complete List of APNs appears on Exhibit A

When Recorded. Return To:  
Scott W. Shaver  
Stradling Yocca Carlson & Rauth, P.C.  
3960 Howard Hughes Parkway, Suite 500  
Las Vegas, NV 89169

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(Space above this line for Recorders Use)

**DEVELOPMENT AND FINANCING AGREEMENT**  
**FOR**  
**LOCAL IMPROVEMENT DISTRICT NO. T-20**  
**(RAINBOW CANYON)**  
**BETWEEN**  
**CITY OF HENDERSON, NEVADA**  
**AND**  
**LAKE LAS VEGAS RECOVERY ACQUISITION LLC**

## **DEVELOPMENT AND FINANCING AGREEMENT**

This Development and Financing Agreement (this "Agreement"), dated as of \_\_\_\_\_, 2018, is between the **CITY OF HENDERSON, NEVADA** (the "City"), a municipal corporation and political subdivision of the State of Nevada (the "State") and **LAKE LAS VEGAS RECOVERY ACQUISITION LLC**, a Delaware limited liability company (the "Developer").

### **WITNESSETH:**

**WHEREAS**, pursuant to Nevada Revised Statutes ("NRS") 271.710, the City Council of the City (the "Council") may enter into written agreements with the owners of all assessable property within a proposed Local Improvement district containing the provisions stated herein; and

**WHEREAS**, the Developer represents and warrants that: (i) it is the legal owner of all property (the "Property") to be assessed within the proposed City of Henderson, Nevada, Local Improvement District No. T-20 (Rainbow Canyon) (the "District"); (ii) a true and correct legal description of the Property is attached hereto as Exhibit A; and (iii) there are no liens or encumbrances on the Property except as shown on Exhibit B attached hereto; and

**WHEREAS**, the Developer has filed a petition with the City to form the District; and

**WHEREAS**, the Council has authorized City staff to negotiate the form of this Agreement with representatives of the Developer; and

**WHEREAS**, the Developer proposes to construct and acquire certain improvements and to transfer those improvements to the City or other appropriate governments on the terms and conditions provided herein, a description of which improvements is attached hereto as Exhibit D, (such improvements, including the land on which they are located and all appurtenances are referred to in this Agreement as the "Project"); and

**WHEREAS**, the parties hereto propose to finance the Project pursuant to Chapter 271 of Nevada Revised Statutes ("NRS"), including NRS 271.710 through 271.730, through the issuance of bonds (the "Bonds") payable from special assessments levied against assessable property in the District; and

**WHEREAS**, the Developer agrees that the City may create the District, levy the assessments against the Property, and for all other purposes relating to the District, proceed pursuant to the provisions of NRS 271.710.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:**

**ARTICLE 1**  
**CONSTRUCTION**

**1.1 Project.**

**A. Construction and Transfer of Project.** The Developer agrees to construct the Project in accordance with the full and detailed plans and specifications therefor, which are listed on Exhibit D hereto and are on file with the City Clerk, in accordance with the schedule set forth on Exhibit D hereto, which sets forth the anticipated date for the commencement and completion of the construction of each phase of the Project and the estimated cost of the respective phases. The City shall not be required to accept or pay for any phase of the Project unless final construction drawings and specifications for that phase have been submitted to the City and the City, in its sole discretion, has approved such final construction drawings and specifications and any amendments and addenda thereto, and unless that phase is constructed in accordance with such approved final construction drawings and specifications and any approved amendments and addenda thereto. If the City disapproves any final construction drawings and specifications or amendments thereto, it shall provide the reason therefor to the Developer and the City and the Developer will meet to discuss changes which may be necessary to obtain City approval thereof. Within 10 days of the final inspection of and agreement to accept each phase of the Project by the City, the Developer shall transfer to the City or, if directed by the City, the Nevada Department of Transportation, or other governmental entity (each an "Applicable Government"), title to the improvements and any real property to be dedicated to the City or the Applicable Government and any easements approved by the City or Applicable Government before construction of the phase, which are necessary for the improvements that are not located on real property to be dedicated to the City or Applicable Government, in a form reasonably acceptable to the City or the Applicable Government to that phase of the Project, except for those portions of the real property on which that phase of the Project is located which are owned in fee by the City or the Applicable Government.

**B. Title.** At the time of transfer of title to any improvements or real property in any phase of the Project, the Developer will warrant that it has title thereto and that such improvements and real property are not subject to any mortgage, security interest, mechanics lien or any other encumbrances, except as shown on a preliminary title report with respect thereto, which shall be delivered to the City or the Applicable Government for its review and approval at least 20 days prior to the transfer of title to the City or the Applicable Government. In the event the City or the Applicable Government does not approve the preliminary title report, the City or the Applicable Government shall not be obligated to accept title from the Developer and the City shall not be obligated to pay the Developer for such phase of the Project until the Developer has cured all objections to title to that phase of the Project to the satisfaction of the City or the Applicable Government. The City or the Applicable Government shall be entitled to disapprove the preliminary title report only if it reveals a matter which, in the reasonable judgment of the City or the Applicable Government, could materially affect the City's or the Applicable Government's use and enjoyment of any part of the phase of the Project covered by the preliminary title report. The City or the Applicable Government shall notify the Developer of any objections to the preliminary title report within 20 days of receipt thereof. At the time of transfer of title, the Developer shall provide written lien releases from any contractor, subcontractor or materialman, or any other person who might have the right to file a mechanics lien on the property being transferred. The Developer agrees to defend the City's or the Applicable Government's title to the property being transferred against any claim of encumbrance whatsoever arising by or through the Developer or any of its predecessors in title or which is caused or created by the Developer, including any mechanics liens asserted in connection with the construction of the Project or the Developer's development of its property in the District.

**C. Warranty of Workmanship and Materials.** The Developer at the time of transfer of title shall warrant that the improvements have been constructed in accordance with the plans and specifications therefor which are listed on Exhibit D hereof, and all amendments and addenda thereto which have been approved by the City or the Applicable Government and the Developer and the specifications described in Section 1.1.D. below. The Developer agrees to remedy any defects in any phase of the Project and pay for any damage to other work resulting therefrom, which shall appear within 1 year from the date of transfer of title of that phase of the Project to the City or the Applicable Government.

**D. Construction Specifications.** The construction work performed pursuant to this Agreement is subject to the following additional specifications:

(1) The current edition of the Uniform Standard Specifications for Public Works' Construction Off-Site Improvements, Clark County Area, Nevada, (the "Standard Specifications"), and the Uniform Standard Drawing for Public Works' Construction, Clark County Area, Nevada (the "Standard Drawings"). Standard Specifications and Standard Drawings are on file in the office of the City Engineer at the City Hall, 240 S. Water Street, Henderson, Nevada and may be examined there without charge.

(2) The Supplemental General Conditions which are attached as Exhibit E.

(3) The special conditions which are attached as Exhibit F.

**E. Prevailing Wages.** Pursuant to NRS 271.710(1), the Council need not comply with the provisions of any law requiring public bidding or otherwise imposing requirements on public contracts, projects, works or improvements, including, without limitation, chapters 332, 338 and 339 of the NRS except that NRS 338.010 to 338.090, inclusive, shall apply to any construction work to be performed under any contract relating to the District. The Developer agrees to attach a copy of the Prevailing Wage Rates for Clark County as published by the Office of the Labor Commissioner for public works currently in effect in the State of Nevada for Clark County in effect on the date of execution of any contract entered into with a subcontractor with respect to the construction of all or any portion of a phase of the Project to its contract with such subcontractor. The Developer is responsible for providing the Office of the Labor Commissioner with all information required by NRS 338.010 to 338.090, and for all compliance requirements of those provisions of the NRS. For the avoidance of doubt, this provision prohibits the City from using Bond proceeds to pay for any portion of any phase of the Project if any portion of such phase of the Project was not constructed in accordance with NRS 338.010 to 338.090.

**F. Cost Estimates.** At the time of commencement of construction of any phase of the Project as outlined in Exhibit D, the Developer shall furnish the City with an updated estimate of the cost of constructing that phase of the Project, in a form and substance reasonably satisfactory to the City. In addition, at the time any contract or change order is executed

in connection with the construction of any phase of the Project, if as a result thereof, the estimate of the cost of the phase of the Project previously furnished increases, the Developer shall furnish the City with an updated estimate of such cost, in a form and substance reasonably satisfactory to the City. If the updated estimated cost of that phase exceeds the smaller of (i) the price of that phase as shown on Exhibit D plus any allocation of Bond proceeds available therefor because of a cost underrun on another phase or (ii) the amount of the proceeds of the Bonds available to pay the cost of that phase of the Project, as reasonably determined by the City taking into account any allocation of such Bond proceeds to the Project and to other phases of the Project, the Developer shall furnish to the City a payment and performance bond in an amount equal to the amount of such excess at the time of commencement of construction on that phase of the Project. That bond shall remain in effect until acceptance of that phase of the Project by the City or the Applicable Government, and no change, extension of time, alteration or addition to the terms of this Agreement, or to the work to be performed hereunder, shall affect the enforceability of the obligations contained in the bond.

**G. Payments for Project.** The City shall pay to the Developer for each phase of the Project dedicated to the City or the Applicable Government, the purchase price of that phase as listed in Exhibit D at the time of transfer of title to the improvements and real property on that phase of the Project to the City or the Applicable Government provided that the City shall be obligated to pay such purchase price solely from the available proceeds of the Bonds, if any. At no time shall the aggregate amount paid by the City to the Developer pursuant to this Agreement exceed the reasonable actual costs to the Developer of the portions of the Project theretofore acquired and then being acquired, as reasonably determined by the City with reference to its prior experience with similar types of construction or otherwise. No payment shall be made for any phase of the Project which includes facilities to be transferred to an Applicable Government until those facilities are accepted by the Applicable Government. If the reasonable actual costs of a phase of the Project as reasonably approved by the City exceeds the price therefor as listed in Exhibit D, the City shall be obligated to pay such difference only if and to the extent that Bond proceeds are available to pay such excess because the aggregate City and Developer Incidental Expenses are less than the aggregate stated in Section 1.4, or the price paid for another phase of the Project that has already been completed and accepted by the City is less than the price listed for that phase of the Project as listed on Exhibit D or any combination of such factors.

**H. Failure to Construct.** In the event the Developer does not build a phase of the Project in accordance with this Agreement, or is late in completing a phase of the Project as provided below, the City may, at its option, proceed to build, complete, or rebuild, as necessary, that phase of the Project so that when completed that phase will be constructed in accordance with the approved final construction drawings and specifications and any amendments or addenda thereto. Prior to the exercise of such option, the City shall provide to Developer written notice of any deficiency, and the Developer shall have a period of thirty (30) days to cure such deficiency, or provide the City with a reasonable plan and schedule for curing such deficiency, which shall be approved by the City in its sole discretion, and Developer shall proceed with reasonable diligence to effect such plan, and upon Developer's election to cure, provide a plan and schedule, the City may not exercise its option so long as Developer cures such default in accordance with this Section 1.1.H. If the Developer does not cure, or provide a plan and schedule as provided above, or fails to meet the requirements or deadlines of the approved plan and schedule, the City may exercise such option without further notice to Developer, the Developer agrees to promptly transfer to the City, upon demand of the City, any real property, easements, or other real property rights then owned by the Developer necessary for the City to build, complete, or rebuild, as necessary, such phase of the Project. (Also, if not then prepared, the City may proceed to prepare such formal construction drawings and specifications in accordance with the plans and specifications listed on Exhibit D hereto.) The City may apply the proceeds of the Bonds and amounts derived from any payment and performance bond or guarantee bond applicable to that phase of the Project to the costs of such building, completing or rebuilding (and of preparing construction drawings and specifications, if necessary). The price to be paid to the Developer as listed on Exhibit D for any phase of the Project which is built, completed or rebuilt, or for which construction drawings and specifications are prepared, under this subsection shall be reduced by the amount applied by the City to that phase of the Project pursuant to this subsection. If these amounts are insufficient, the City shall make demand on the Developer to pay the amount of the insufficiency and the Developer shall immediately pay the City the amount of the insufficiency. The Developer will be treated as being late in completing any phase of the Project if either: (i) that phase of the Project has not been completed within the earlier of twelve months after a lot is sold in the District to a person who intends to use the lot for his or her residence, which lot is dependent for issuance of a certificate of occupancy on the incomplete improvement, or eighteen months (or such longer period to which the parties hereto agree in writing) after a final subdivision map is recorded for any

property in the District which requires the installation of any of the improvements which are contemplated to be installed in that phase of the Project; or (ii) that phase of the Project, or any portion thereof, has not been completed by the date on which completion thereof was required in any permit issued by any governmental agency (including the City) to the Developer or any other owner or developer of property in the District. Notwithstanding the foregoing, Developer shall not be deemed late in completing any phase of the Project to the extent that construction thereof is delayed as a result of occurrences beyond the reasonable control and without the fault or negligence of Developer, including without limitation, fire, earthquake, floods and other out of the ordinary actions of the elements, enemy invasion, war, insurrection, sabotage, laws or orders of governmental, civil or military authorities, governmental restrictions and moratoria, riot, civil commotion, unavailability or delays in obtaining labor or materials from suppliers (and not attributable to any unreasonable action or inaction on the part of the Developer or any of its contractors and the resolution of which is beyond the reasonable control of such persons), and unavoidable casualty. In the event the Developer is delayed by such occurrences, the time within which the Developer must complete such phase of the Project shall be extended by a reasonable period of time not less than the actual number of days that Developer was delayed as a result of such occurrences, provided that the Developer recommences the construction of such phase at the earliest possible date following the cessation of such occurrence and proceeds with reasonable diligence toward the completion thereof.

**I. Cost Overruns.** The Developer is responsible for the payment of and agrees to pay all costs of construction which exceed the amount available for that purpose from the proceeds of Bonds. It is presently estimated that the Developer will be required to pay approximately \$3,236,196 pursuant to this subsection. When the sum of the amounts paid to the Developer pursuant to Section 1.5 hereof together with the amounts requested to be paid pursuant to Section 1.5 hereof equals or exceeds ninety percent of the original principal amount of the Bonds, the Developer shall furnish to the City a payment and performance bond or, in the discretion of the Developer, cash in an amount equal to the excess of the estimated costs of constructing the remaining phases of the Project over the amount of Bond proceeds available for such purpose.

**J. Completion of Project.** In order to assist the City in complying with its obligations under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the Developer hereby represents that it reasonably expects to submit

reimbursable costs to the City pursuant to the provisions hereof in such time as will permit the City to expend not less than 85% of the net sale proceeds of any Bonds issued to finance the Project (or any portion thereof) within three years of the date of issuance of such Bonds.

In the event the Developer has failed to complete 85% of Project within three (3) years from the date of this Agreement, and is therefore in default and breach of this Agreement, the City may, at its option, proceed to build, complete, or rebuild as necessary that Subproject so that when completed that Subproject will be constructed in accordance with the approved plans and specifications. Under such circumstances, and to the extent not otherwise previously accomplished pursuant to the terms hereof, the Developer agrees to promptly transfer to the City, upon demand of the City, any Project Property related to such Subproject. The City may apply the proceeds of the Bonds and amounts derived from any payment and performance bond applicable to the Project to the costs of such building, completing or rebuilding. If these amounts are insufficient, the City shall make demand on the Developer to pay the amount of the insufficiency and the Developer shall immediately pay the City the amount of the insufficiency.

**1.2     Excess Bond Proceeds.** In the event all of the construction of the Project is complete, accepted and payment therefor has been made in full by the City pursuant to Section 1.1 hereof, and all of the City's and Developer's Incidental Costs have been paid pursuant to Section 1.4 hereof, and there remain unexpended proceeds of the Bonds (including interest earned on such proceeds) which are not needed for any purpose related to the Project, the assessments or the Bonds, as determined by the City, the City and the Developer may, by agreement, amend the Project to include any other subprojects eligible for financing under Chapter 271 of NRS that benefit the property assessed in the District and such unexpended Bond proceeds may be expended on such additional subprojects. If no such amendment is made or if after such an amendment, there still remain unexpended Bond proceeds, these unexpended proceeds shall be applied as soon as is reasonably possible to redeem Bonds.

**1.3     Oversizing.**

**A.     Water Line Oversizing.** The City shall not pay for any oversizing of water lines the cost of which is to be reimbursed to the Developer by the City under any agreements between the City and the Developer. The Developer agrees not to include the costs of any such oversizing in its cost estimates or final costs for any phase of the Project.

**B. Sewer Line Oversizing.** The City shall not pay under this Agreement for any oversizing of sewer lines, the cost of which is to be reimbursed to the Developer by the City under any other agreement with the Developer or otherwise. The Developer agrees not to include any such costs for oversizing sewer lines in its cost estimates or in final costs for any phase of the Project.

**1.4 Incidental Expenses.** The Developer and the City shall be entitled to be reimbursed for their incidental expenses related to the District ("Incidental Expense") as follows:

**A. Developer Incidental Expenses.** The Developer shall be entitled to be reimbursed from Bond proceeds for the actual costs of the following estimated Developer Incidental Expenses incurred and paid by the Developer, up to an amount not exceeding \$100,000 (unless additional amounts are available from cost underruns on the Project or the City's Incidental Expenses): engineering expenses; and the deposit made by the Developer for City's costs less any amounts reimbursed. The City will, upon presentation of evidence of payment of the foregoing expenses by the Developer and approval thereof by the City, pay to the Developer the cost incurred, but only from the available proceeds of the Bonds.

**B. City Incidental Expenses.** The City shall be entitled to pay the following Incidental Expenses directly from the proceeds of the Bonds and the reimbursable, evergreen deposit of \$150,000 made by the Developer for City costs, and any other monies provided to the City by the Developer for that purpose: (1) the cost of funding a reserve fund in the amount provided in the ordinance of the City authorizing the Bonds (the "Bond Ordinance"), up to the maximum amount permitted by the Tax Code (as hereinafter defined); (2)-(a) the fees and expenses of the assessment engineer, (b) the cost of all internal or external construction inspection and testing, (c) the City's actual cost of issuing the bonds, which includes, without limitation, (i) the fees and expenses of bond counsel, disclosure counsel, the trustee, the assessment collection agent, and the financial consultant, (ii) the estimated cost of official statement printing and mailing, and (iii) the other costs listed in the purchase contract for the bonds to be paid by the City, including the estimated underwriter's discount (estimated \$700,000 in the aggregate); (3) the estimated amount of the City's other costs of creating the District and administering the acquisition and construction of the Project; and (4) the costs of an appraisal and absorption study for the District (estimated at \$60,000). If the deposit made by the Developer for City costs and the available Bond proceeds are

not sufficient to pay the City's Incidental Expenses, the Developer shall, at the request of the City, pay the amounts needed.

**1.5     Method of Payment.** Payments made to the Developer, whether for the cost of a phase of the Project or for reimbursement of Incidental Expenses (as described in Section 1.4.A.), shall be made only on execution of a request for such payment signed by the Developer in the form attached as Exhibit L, by check or draft made out to the party designated in and mailed as provided in the form found at Exhibit L. The City shall not be obligated to make any payment if after such payment the amount of Bond proceeds remaining is less than ten percent of the original principal amount of the Bonds unless the Developer has complied with Section 1.1.I. hereof.

**1.6     City Authorized to Pay.** The City is authorized to pay directly all expenses listed in Section 1.4.B., without further authorization from the Developer, and shall provide to the Developer, at its request, a copy of any invoice received with respect to those costs, or in the case of internal costs, other evidence of those costs.

## **ARTICLE 2**

### **ASSESSMENTS; BONDS.**

**2.1     Procedure.** The Developer agrees that the City may proceed to order that the Project be acquired and improved, issue the Bonds and otherwise finance the cost of the Project and levy assessments without complying with the provisions of NRS 271.305 to 271.320, inclusive, 271.330 to 271.345, inclusive, 271.380 and 271.385 and the provisions of any law requiring public bidding or otherwise imposing requirements on public contracts, projects, works or improvements including without limitation chapter 332, 338 and 339 of NRS except as specifically provided in NRS 271.710. The Developer agrees that the Council may create the District, levy assessments and for all other purposes relating to the District proceed pursuant to the provisions of NRS 271.710.

**2.2     Financing.** The City agrees to proceed with the financing of the improvements by levying assessments against the Property in the District and issuing the Bonds in the manner described herein, and in the proposed forms of the City documents, all of which are listed on Exhibit H (the "City Documents"). The City has not agreed to pay the Bonds from the sources named in NRS 271.495.

**2.3     Assessment Roll.** The City will levy assessments against all the property in the District as provided in the assessment ordinance, and the amount of the assessments against each parcel of property in the District will not exceed that listed in the assessment roll attached hereto as Exhibit I-1. The final amount of the assessment against each parcel shall be determined in the sole discretion of the City.

**2.4     Assessment Installments.** Pursuant to NRS 271.405(2), the Developer hereby elects to pay the assessments against all the property in the District in installments, with interest thereon as provided in the assessment ordinance. There will be not more than sixty (60) substantially equal semiannual installments due, which substantially equal semiannual installments will include principal and interest. The Developer waives the right to pay the whole assessment within 30 days after the effective date of the assessment ordinance. The Developer agrees that its Property is benefitted by an amount at least equal to the assessments to be levied thereon from the construction of that portion of the Project that can be financed with the net proceeds of the Bonds (presently expected to be approximately \$17,805,000).

**2.5     Interest Rate.** The interest rate on the assessments will be a fixed interest rate which will be fixed by the City at a rate that is not greater than one percentage point above the highest rate of interest payable on the Bonds at any maturity. Any interest received that is not used to pay the principal and interest on the Bonds will be used to pay the reasonable administrative and other expenses of the City in connection with the Bonds, the assessments and the Project, and to the extent not so used shall be refunded to the property owners as required by NRS after the Bonds are paid in full. The interest rate on the Bonds shall not exceed by more than three percent the Index of Twenty Bonds which was most recently published before the bids on the Bonds are received or the negotiated offer on the Bonds is accepted.

**2.6     Installment Due Dates.** Assessment installments shall bear interest at the rate determined as provided in Section 2.5 hereof from the date specified in the assessment ordinance, until paid in full. Not more than Sixty (60) substantially equal semiannual installments of principal and interest will be due on June 1 and December 1 of each year, commencing and ending on the dates set forth in the assessment ordinance to be hereafter adopted. The assessments will otherwise be payable as provided in the assessment ordinance. The payment dates and amounts of the installments may be altered and other terms of payment on the assessment may be changed as is provided in the assessment ordinance in the case of a refunding of the Bonds.

**2.7     Bond Reserve.** A reserve fund (the “Bond Reserve”) in an amount specified in the Bond Ordinance, to be hereafter adopted, will be created with the proceeds of the Bonds. The Bond Reserve will be used as additional security for the Bonds to pay any principal and interest on the Bonds when due, if the payments of the assessment installments are insufficient for that purpose, and the Bond Reserve and any interest and investment income thereon will otherwise be used as provided in the Bond Ordinance. The City may amend the City Documents to provide for other uses of the Bond Reserve in connection with a refunding of the Bonds, and the owners of the property assessed in the District have no entitlement to any amounts in the Bond Reserve.

**2.8     Capitalized Interest.** A capitalized interest account (the “Bond Reserve”) in an amount as specified in the Bond Ordinance, to be hereafter adopted, will be created with the proceeds of the Bonds.

**2.9     Waiver.** The Developer agrees that all of the property owned by it in the District is benefited by the improvements proposed to be acquired and constructed in the District by an amount at least equal to the maximum amount proposed to be assessed against those properties listed in the assessment roll attached as Exhibit I-1, agrees to the City’s assessing those properties in the amounts listed in the assessment roll and waives any and all formalities required by the laws of the United States and the State of Nevada in order to impose such assessments. The Developer consents and agrees to the assessments listed in the assessment roll for the District and agrees that those assessments may be made regardless of whether any or all of the improvements proposed to be acquired and constructed as described herein are in fact acquired and constructed or any provisions of Article 3 hereof are followed, and agrees that the City may proceed to collect and enforce the assessments in the manner described herein and in the City Documents regardless of whether it completes the acquisition or construction of the improvements or complies with Article 3 hereof. The Developer waives all powers, privileges, immunities and rights as against the City or the District arising from or following from irregularities or defects, if any, occurring in connection with or ensuing from the actions, proceedings, matters and things heretofore taken or hereafter to be taken had and done by the City, the City Council and the officers of the City (including, without limitation, the proper description of all property which the Developer may own within the District and the giving of proper notices of the proceedings relating to the District) concerning the creation of the District and the levying of special assessments to defray the cost and expenses of the improvements in the District. The Developer consents and agrees to be bound and consents and agrees that all

property in the District owned by the Developer be bound and be subject to the assessment lien as thoroughly and effectively as if all actions, proceedings, notices, matters and things had been taken and done free from irregularities. The Developer also represents and warrants that in the Developer's reasonable opinion, the market value of each parcel owned by it in the District exceeds the amount of the maximum assessment proposed to be made against each such parcel. The Developer agrees that its property is benefited by at least the amounts listed in the assessment roll by the installation of the Project without regard to the availability of water, sewage treatment capacity, other utilities, or any combination thereof.

**2.10 Reapportionment of Lien.** The City and the Developer acknowledge and agree that only a portion of the total acreage of parcels within the boundaries of the District is presently intended to be subject to an assessment lien to secure the repayment of Bonds following the future filing by the Developer of a map subdividing such APNs. Promptly, but in no event more than 90-days, following the filing of a map that subdivides parcels in such a manner as to produce a land plan generally consistent with the planning areas demonstrated in Exhibit I-2, the City shall apportion the assessments within the District so that they only place a lien on that portion of the District generally described in Exhibit I-2.

### **ARTICLE 3**

#### **MISCELLANEOUS.**

**3.1 Federal Tax Covenant.** The Developer covenants 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 Developer or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (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)(2) of the Tax Code except to the extent such interest is required to be included in the current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect until the date on which all obligations of the City in fulfilling the tax covenant contained in the Bond Ordinance have been met.

**3.2 City Documents; Continuing Disclosure.**

A. **City Documents.** The Developer agrees to all provisions of the City Documents listed in Exhibit H in the form on file with the City Clerk with such changes therein as are approved by the City and the Developer. Any City Documents not now on file and changes to or additions to the City Documents must be approved by the City and the Developer. The City may amend the City Documents without obtaining the approval of the Developer whenever the outstanding assessments on property owned by the Developer in the District represent less than 40% of the aggregate outstanding assessments on property in the District, but the City may not increase an assessment against the Developer's property without the Developer's consent.

B. **Continuing Disclosure.** The City and the Developer agree to execute a continuing disclosure agreement or certificate in a mutually acceptable form prior to the issuance of the Bonds obligating each party to make certain disclosures on an ongoing basis as required under Rule 15c2-12 of the United States Securities and Exchange Commission. If the parties are unable to agree on a form of agreement or certificate, the Bonds will not be issued unless they qualify for an exemption from Rule 15c2-12.

3.3 **No Guarantee of Water or Sewer Capacity.** Nothing in this Agreement or any other document involving the City or the District, nor the installation by way of the City or the District of, or the assessment of the property within the District for, water and sewage facilities shall be taken as a guarantee, promise or representation that water or sewage treatment capacity will be made available to the property in the District.

3.4 **Permits.** The Developer hereby represents and warrants to the best of its knowledge, that it has or will obtain all governmental or other permits required to proceed with development of its property and the Project, including those listed in Exhibit J and it has paid all fees relating thereto and any other fees owing with respect to the Project. There is no impediment, to the Developer's knowledge, to proceeding with the Project to completion and proceeding with the development of the land owned by the Developer in the District.

3.5 **Permitted Investments.** Any funds invested by the City under this Agreement may be invested in any investment that would be lawful for the City under the provisions of Chapters 355 and 356 of NRS.

3.6 **Indemnification and Defense of Suits.**

**A. Indemnification.** The Developer agrees to protect and indemnify and hold the City, its officers or employees and agents and each of them harmless from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees, and court costs which the City, its officers, employees or agents or any combination thereof may suffer or which may be sought against or recovered or obtained from the City, its officers, employees or agents or any combination thereof as a result of or by reason of or arising out of or in consequence of: (i) the acquisition, construction or financing of the Project by the City pursuant to this Agreement; (ii) any environmental or hazardous waste conditions (a) which existed on any property which is part of the Project at any time prior to formal acceptance of the Project by the City or an Applicable Government or which was caused by the Developer or (b) which existed on any of the property which is assessed at any time while the Developer owned the property or which was caused by the Developer, provided said condition was not caused by the deliberate action of the City; or (iii) any act or omission, negligent or otherwise, of the Developer or any of its subcontractors, agents or anyone who is directly employed by or acting in concert with the Developer or any of its subcontractors, or agents, in connection with the Project or the District. This Section 3.6 is not intended and shall not be construed to be a warranty of the construction, workmanship or the materials or equipment incorporated in the Project. It is further agreed that the indemnity of the Developer to the City shall not extend to any claims that result from acts or omissions of the City, its officers, employees, agents or contractors in connection with the operation, maintenance and repair of the Project.

**B. Defense of Suits.** The Developer agrees that it shall at its sole cost and expense defend (including, without limitation, by paying the cost of attorneys selected by the City to assist in such defense) the City, its officers, employees and agents and each of them in any suit or action that may be brought against it or any of them by reason of the City's involvement in the Project and the financing thereof or any act or omission, negligent or otherwise, against the consequences of which the Developer has agreed to indemnify the City, its officers, employees or agents pursuant to Section 3.6.A. If the Developer fails to do so, the City shall have the right but not the obligation to defend the same and charge all of the direct or incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the Developer.

**C. No Indemnification in Certain Circumstances.** No indemnification is required to be paid by the Developer for any claim, loss or expense arising from (i) the willful

misconduct, gross negligence, or breach of this Agreement or the City Documents by the City or its officers or employees; (ii) any information or omissions in the disclosure materials provided by the City in connection with the issuance of the Bonds; (iii) the administration of the assessments or the Bonds; or (iv) any failure by the City to perform any of its obligations under the Bonds.

**D. Survival of Indemnification.** The provisions of this Section shall survive the termination of this Agreement. It is not intended by the parties hereto that this indemnification provision revive any claim of, or extend any statute of limitations which has run against, any third party.

### **3.7 Insurance.**

**A. Insurance.** Developer shall procure and maintain, during the course of this Agreement, general liability, auto liability, property, and professional insurance as necessary to meet the financial obligations and liability of Developer assumed in this Section. Said policies shall include coverage limits of not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate. The City shall be added as an additional insured on all policies, and certificates of insurance and endorsements for each insurance policy signed by a person authorized by the insured to bind coverage and shall be provided to the City prior to any work occurring after the execution of this Agreement. For any claims related to this Agreement, the Developer's coverage shall be primary and non-contributory with respect to all other sources and with respect to the City and its officers, officials, employees, volunteers, and agents.

**B. Workers Compensation Insurance.** Developer shall also procure and maintain workers compensation insurance on each of their employees in accordance with the laws of the State and shall require that all persons with whom they contract to perform any work in connection with the Project also procure and maintain that insurance for each person employed to perform work on or services for the Project.

**C. Indemnification Clauses.** All contracts entered into by Developer for the completion of work or professional services required pursuant to this Agreement shall contain indemnification and insurance clauses on the same or substantially similar basis and to the same or substantially similar extent provided by the Developer to protect the City's interest.

**D. Subrogation.** All insurance policies provided by the Developer or its Contractors shall contain a waiver of subrogation against the City.

**3.8 No Third Party Beneficiary.** None of the provisions of this Agreement are intended to constitute the owners of property assessed, the general public, or any member thereof, a third party beneficiary hereunder or to authorize anyone who is not a party to this Agreement to maintain any suit for personal injuries or project damage pursuant to this Agreement.

**3.9 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the City and the Developer and their respective successors and assigns. No assignment of this Agreement or any right or obligation hereunder by either party hereto shall be valid unless the other party hereto consents to such assignment in writing, which shall not be unreasonably withheld or delayed.

**3.10 Inspection of Books.** The City will permit the Developer to inspect its books and records pertaining to the District, including but not limited to information relating to bond principal outstanding, interest disbursements, administrative costs and fund balances.

**3.11 Entire Agreement.** This Agreement, including the exhibits hereto, constitutes the entire agreement of the parties hereto. This Agreement may be modified by the parties hereto but only by a written instrument signed and acknowledged by each party and recorded with the County Recorder of Clark County.

**3.12 Further Assurances.** The Developer and the City agree to do such further acts and things and to execute and deliver to the other such additional certificates, documents and instruments as the other may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the other its rights, powers, and remedies hereunder. The Developer shall execute all consents, certificates and other documents which the City or bond underwriter reasonably request in connection with the sale of the bonds.

**3.13 Obligations of Developer; Payment and Performance Bond.** The obligations of the Developer under Articles 1 and 3 hereof are obligations of the Developer upon which the Developer is personally liable. The obligations to pay assessments in Article 2 pertain only to the land owned by the Developer in the District and are not personal obligations of the Developer. To provide additional security for the obligations of the Developer pursuant to Articles 1

and 3 hereof, the Developer agrees, as a condition precedent to the sale of the Bonds, to secure a payment and performance bond in an aggregate principal amount equal to the total reimbursable Local Improvement District Costs less net bond proceeds to acquire improvements set forth on Exhibit D.

**3.14 Notices.** All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepared, addressed as follows:

If to the City:

City of Henderson, Nevada  
c/o City Manager  
240 S. Water Street  
Henderson, Nevada 89015

If to the Developer:

Lake Las Vegas Recovery Acquisition LLC  
1166 Avenue of the Americas  
New York, NY 10036  
Attn: Adam T. Rapport

With a copy to:

Raintree Investment Corp.  
5796 Armada Dr.  
Carlsbad, CA 92008  
Attn: Patrick M. Parker

If any notice hereunder is given to the City, a copy shall be forwarded by first class mail, postage prepaid, to the City's Director of Public Works and City Attorney at:

Director of Public Works  
City of Henderson  
240 S. Water Street  
Henderson, NV 89015

and

City Attorney  
City of Henderson  
240 S. Water Street  
Henderson NV 89015

If notice hereunder is given to the Developer, a copy should be forwarded by first-class mail, postage prepaid, to the Developer's counsel at:

Holley Driggs Walch Fine  
Wray Puzey & Thompson  
Attn: J. Douglas Driggs, Jr.  
400 South Fourth Street, Suite 300  
Las Vegas, NV 89101

**3.15 No Waivers.** No failure or delay on the part of either party in enforcing any provision shall operate as a waiver thereof, nor shall any single or partial enforcement of any provision hereof preclude any other or further enforcement or the exercise of the same or any other right, power or remedy the either party may have.

**3.16 Attorney Fees.** If the City incurs attorneys' fees or expenses or any other fees and expenses in connection with the actual or overtly threatened breach by the Developer of any provision hereof, the City shall be entitled to recover such reasonable fees and expenses from the Developer.

**3.17 Severability.** If any provision of this Agreement is deemed to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof that can be given effect without the invalid or unenforceable provision and the City and Developer agree to replace such invalid or unenforceable provision with a valid provision which has, as nearly as possible, the same effect.

**3.18 Construction; Time.** The language of this Agreement shall be construed as a whole according to its fair meaning and intent and not strictly for or against any party. Both parties were represented by counsel in the negotiation of this Agreement, and this Agreement shall be

deemed to have been drafted by both of the parties. Time is of the essence of this Agreement and all terms, provisions, covenants, and conditions hereof.

**3.19 Governing Law; Venue.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nevada. The City and the Developer agree to be bound to the nonexclusive jurisdiction of any court of the State located in Clark County or the United States District Court for the State for the purpose of any suit, action or other proceeding arising out of this Agreement, or any of the agreements or transactions contemplated hereby, at the election of the party initiating any such suit, action or other proceeding, which is brought by or against the Developer or the City and the parties each hereby irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined by such court.

**3.20 No City Obligation.** Nothing herein obligates the City to expend any money other than funds derived from the sale of the Bonds and amounts received from the investment thereof and receipts from the assessments made against the property in the District. Nothing herein obligates the City to issue the Bonds, however, the obligations of the Developer hereunder (except as provided in the following sentence) are contingent on the issuance of the Bonds by the City. If the Bonds are not issued by December 31, 2019 for any reason, this Agreement may be terminated by either party, but the Developer shall be responsible for payment of all of the costs incurred by Developer and all reasonable out-of-pocket costs incurred by the City prior to that date. The amount of such costs incurred by the City shall not be contestable or appealable, absent fraud or gross abuse of discretion. The Developer shall pay to the City the costs submitted in the City's statement within thirty (30) days after receiving notice of the amount of the costs.

**3.21 Term of Agreement.** Except as otherwise provided in Sections 3.1 and 3.6 hereof, this Agreement shall be in effect from the date and year first mentioned above until the later of: (i) the date all of the Bonds (including through a series of refundings) have been retired; or (ii) the date on which all of the assessments against property in the District have been paid in full.

**3.22 Counterparts.** This Agreement may be executed on one or more counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Agreement.

**3.23    Conveyance Restriction; Recording.** The Developer agrees not to convey any parcel, lot or real property interest in any of the Developer Property to any party until after this Agreement has been recorded in the office of the County Recorder. The City agrees to record this Agreement within 5 days of its execution by all parties. Recording shall have the effect provided in Subsection 2 of NRS 271.720 and shall make Article 2 of this Agreement binding on all persons or entities who acquire any of the property in the District before the assessments and Bonds are paid in full.

**3.24    Disclosure to Transferees.** The Developer agrees to inform any transferee of property in the District who acquires title from the Developer of the existence of the assessments and to obtain from any such transferee of any property in the District, which can be legally subdivided into smaller parcels, a covenant to give to each homebuyer transferee a disclosure statement in substantially the form attached hereto as Exhibit K, and to use its best efforts to obtain the homebuyer's signature on that statement and return a copy of it to the City.

**IN WITNESS WHEREOF** the City and the Developer, have caused this Development and Financing Agreement to be executed as of the day and year first mentioned above.

**CITY:**

Date of City Council Approval: \_\_\_\_\_

**CITY OF HENDERSON,**  
a municipal corporation and political subdivision of the State of Nevada

By: \_\_\_\_\_  
Richard Derrick  
City Manager/CEO

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sabrina Mercadante, MMC  
City Clerk

\_\_\_\_\_  
Nicholas Vaskov  
City Attorney

**APPROVED AS TO CONTENT:**

**APPROVED AS TO FUNDING:**

\_\_\_\_\_  
Edward McGuire, P.E.  
Director of Public Works

\_\_\_\_\_  
Jim McIntosh  
Chief Financial Officer

**DEVELOPER**

**LAKE LAS VEGAS RECOVERY  
ACQUISITION LLC**

By: \_\_\_\_\_  
Name: Cody Winterton  
Its: Authorized Signatory

STATE OF NEVADA       )  
                                  ) ss.  
COUNTY OF CLARK     )

This instrument was acknowledged before me on \_\_\_\_\_, 2018, by Richard Derrick as the City Manager/CEO of the City of Henderson.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA       )  
                                  ) ss.  
COUNTY OF CLARK     )

This instrument was acknowledged before me on \_\_\_\_\_, 2018 by \_\_\_\_\_  
as \_\_\_\_\_ of Lake Las Vegas Recovery Acquisition LLC, a Delaware limited liability  
company.

\_\_\_\_\_  
Notary Public

## **EXHIBIT A**

### **Local Improvement District No. T-20 (Rainbow Canyon)**

#### **Legal Description of Property**

160-15-717-002	160-14-419-001	160-15-820-015
160-15-212-001 (portion)	160-14-419-002	160-15-820-016
160-15-610-002 (portion)	160-14-419-003	160-15-820-017
160-15-610-004 (portion)	160-14-419-004	160-15-820-018
160-15-611-001 (portion)	160-14-419-005	160-15-820-019
160-15-212-001 (portion)	160-14-419-006	160-15-820-020
160-15-310-001 (portion)	160-14-419-007	160-15-820-021
160-15-611-001 (portion)	160-14-419-008	160-15-820-022
160-15-717-001 (portion)	160-14-419-009	160-15-820-023
160-15-212-001 (portion)	160-15-820-001	160-15-820-024
160-15-610-001 (portion)	160-15-820-002	160-14-212-001 (portion)
160-15-610-002 (portion)	160-15-820-003	160-14-212-002 (portion)
160-15-611-001 (portion)	160-15-820-004	160-15-212-001 (portion)
160-15-717-001 (portion)	160-15-820-005	160-15-610-004 (portion)
160-15-212-001 (portion)	160-15-820-006	160-14-295-003 (portion)
160-15-414-001 (portion)	160-15-820-007	160-14-395-002 (portion)
160-15-212-001 (portion)	160-15-820-008	160-15-695-002 (portion)
160-15-414-001 (portion)	160-15-820-009	160-15-795-004 (portion)
160-15-212-001 (portion)	160-15-820-010	160-14-212-001 (portion)
160-22-115-001 (portion)	160-15-820-011	160-14-212-002 (portion)
160-15-212-001 (portion)	160-15-820-012	160-15-212-001 (portion)
160-15-310-001 (portion)	160-15-820-013	160-15-610-004 (portion)
160-15-212-001 (portion)	160-15-820-014	160-14-295-003 (portion)

## **EXHIBIT B**

### **Title Exceptions**

## **EXHIBIT C**

**[Reserved]**

## **EXHIBIT D**

### **Local Improvement District No. T-20 (Rainbow Canyon)**

#### **Project Phases with Estimated Commencement and Completion Dates and Cost**

##### **Project 1: Lake Las Vegas Parkway – Phase 1**

This project is constructed and accepted by the City of Henderson (PCVL 2014701132 and PCVL 2016700209). It consists of grading, roadway, water, and sewer improvements for Lake Las Vegas Parkway between station 10+00 and about station 28+00 (approximately 1,800 feet), extending from Montelago Boulevard to the Highlands Shores Avenue/Summer House Road intersection. The project includes the cost of rough grading, subgrade preparation, pavement, sidewalk/trail, curb & gutter, striping/signage, streetlights, service points, transformers, and related devices and fixtures. Wet utility improvements include storm drain, storm drain manholes, storm drain structures, water main, fire hydrants, sewer main, sanitary sewer manholes, force main, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$2,351,056**

**Estimated Commencement Date: Completed**

**Estimated Completion Date: Completed**

##### **Project 2: Highland Shores Avenue – Phase 1**

The improvement plans for this project have been approved by the City of Henderson (PCVL 2017884045). It consists of grading, roadway, storm drain, water, and sewer improvements for Highland Shores Avenue between station 10+00 and about station 22+65 (approximately 1,265 feet), extending from the Lake Las Vegas Parkway/Summer House Road intersection to Lake Highlands Lane. The project includes the cost of rough grading, subgrade preparation, pavement, sidewalk/trail, curb & gutter, striping/signage, streetlights, service points, transformers, and related devices and fixtures. Wet utility improvements include storm drain, storm drain manholes, storm drain structures, water main, fire hydrants, sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$1,809,474**

**Estimated Commencement Date: September 2018**

**Estimated Completion Date: February 2019**

##### **Project 3: Parcel C-1 Sewer**

The improvement plans for this project have been approved by the City of Henderson (portion of PCVL 2017910345). It consists of sewer improvements within Parcel C-1, extending from the Lake Highlands Lane/Highland Shores Avenue intersection to Lake Las Vegas Parkway (approximately 1,500 feet). The project includes the cost of sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$210,213**

**Estimated Commencement Date: September 2018**

**Estimated Completion Date: March 2019**

#### **Project 4: Highland Shores Avenue – Section 2**

The improvement plans for this project have been submitted to the City of Henderson for review (portion of PCVL 2018023786). It consists of grading, roadway, storm drain, water, and sewer improvements for Highlands Shores Avenue between about station 10+00 and about station 48+00 (approximately 3,800 feet), extending from Lake Las Vegas Parkway to Lake Highlands Lane. The project includes the cost of rough grading, subgrade preparation, pavement, sidewalk/trail, curb & gutter, striping/signage, streetlights, service points, transformers, and related devices and fixtures. Wet utility improvements include storm drain, storm drain manholes, storm drain structures, water main, fire hydrants, sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$4,895,855**

**Estimated Commencement Date: December 2018**

**Estimated Completion Date: May 2019**

#### **Project 5: J-1-B Detention Basin**

The improvement plans for this project have been submitted to the City of Henderson for review (PCVL 2018015355). It consists of rough grading and improvements for a detention basin located within Parcel C5 and outfall pipe crossing Lake Las Vegas Parkway. The project includes the cost of grading, storm drain, storm drain manholes, inlet/outlet structures, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$711,708**

**Estimated Commencement Date: September 2018**

**Estimated Completion Date: March 2019**

#### **Project 6: Parker Point (Summer House) Lift Station**

The improvement plans for this project have been submitted to the City of Henderson. It consists of sewer system improvements to construct a lift station located adjacent to Parcel W-1 (Parker Point) to lift the sewer within Summer House Road to Lake Las Vegas Parkway. The project includes construction of the lift station, dual force mains, fittings, manholes, trenching including permanent power and backfill, fiber optic communication lines, site preparation, start up, owners and operation manuals, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$2,399,858**

**Estimated Commencement Date: October 2018**

**Estimated Completion Date: December 2020**

#### **Project 7: Parcel C3/C4 1750 PZ Waterline**

This project consists of approximately 2,850 lineal feet of water main located within Parcels C3 and C4. The project includes the cost of water main, fire hydrants, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$305,372**

**Estimated Commencement Date: January 2019**

**Estimated Completion Date: September 2019**

**Project 8: Parcel C3/C4 1840 PZ Waterline**

This project consists of approximately 3,700 lineal feet of water main located within Parcels C3 and C4. The project includes the cost of water main, fire hydrants, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$380,587**

**Estimated Commencement Date: January 2019**

**Estimated Completion Date: September 2019**

**Project 9: Parcel C3/C4 Sewer – Phase 1**

This project consists of approximately 1,275 lineal feet of sewer main located within Parcels C3 and C4. The project includes the cost of sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$164,325**

**Estimated Commencement Date: January 2019**

**Estimated Completion Date: September 2019**

**Project 10: Parcel C3/C4 Storm Drain**

This project consists of approximately 2,600 lineal feet of storm drain located within Parcels C3 and C4. The project includes the cost of storm drain, storm drain manholes, storm drain structures, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$875,411**

**Estimated Commencement Date: January 2019**

**Estimated Completion Date: September 2019**

**Project 11: Parcel C3/C4 Sewer – Phase 2**

This project consists of approximately 1,975 lineal feet of sewer main located within Parcels C3 and C4. The project includes the cost of sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$243,548**

**Estimated Commencement Date: January 2020**

**Estimated Completion Date: September 2020**

**Project 12: Lake Las Vegas Parkway – Phase 2**

This project consists of grading, roadway, storm drain, water, and sewer improvements for Lake Las Vegas Parkway between about station 28+00 and about station 41+00 (approximately 1,300 feet), extending from the Highlands Shores Avenue/Summer House Road intersection to the Parcel W2/W3 boundary. The project includes the cost of rough grading, subgrade preparation, pavement, sidewalk/trail, curb & gutter, striping/signage, streetlights, service points, transformers, and related devices and fixtures. Wet utility improvements include storm drain, storm drain manholes, storm drain structures, water main, fire hydrants, sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$1,138,556**

**Estimated Commencement Date: January 2020**

**Estimated Completion Date: September 2020**

### **Project 13: Lake Las Vegas Parkway – Phase 3**

This project consists of grading, roadway, storm drain, water, and sewer improvements for Lake Las Vegas Parkway between about station 41+00 and about station 49+50 (approximately 850 feet), extending from the Parcel W2/W3 boundary to Parcel N1. The project includes the cost of rough grading, subgrade preparation, pavement, sidewalk/trail, curb & gutter, striping/signage, streetlights, service points, transformers, and related devices and fixtures. Wet utility improvements include storm drain, storm drain manholes, storm drain structures, water main, fire hydrants, sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$1,208,226**

**Estimated Commencement Date: January 2020**

**Estimated Completion Date: September 2020**

### **Project 14: Parcel M5 Sewer**

This project consists of approximately 2,000 lineal feet of sewer main located within Parcel M5. The project includes the cost of sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$245,770**

**Estimated Commencement Date: January 2020**

**Estimated Completion Date: September 2020**

### **Project 15: Parcel C2 1750 PZ Waterline**

This project consists of approximately 3,400 lineal feet of water main located within Parcel C2. The project includes the cost of water main, fire hydrants, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$347,409**

**Estimated Commencement Date: January 2020**

**Estimated Completion Date: September 2020**

### **Project 16: Parcel W2/W3 Sewer**

This project consists of approximately 2,350 lineal feet of sewer main located within Parcels W2 and W3. The project includes the cost of sewer main, sanitary sewer manholes, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$285,382**

**Estimated Commencement Date: January 2020**

**Estimated Completion Date: September 2020**

### **Project 17: Parker Point Storm Drain**

This project consists of approximately 790 lineal feet of storm drain located within Parcel W2, adjacent to Summer House Road between Lake Las Vegas Parkway and the lake. The project includes the cost of storm drain, storm drain manholes, storm drain structures, trenching & backfill, together with appurtenances and appurtenant work.

**Maximum acquisition cost: \$454,851**

**Estimated Commencement Date: January 2020**

**Estimated Completion Date: September 2020**

## **EXHIBIT E**

### **Supplemental General Conditions - Construction**

## **EXHIBIT F**

### **List of Special Conditions and Specifications**

**EXHIBIT G**

**[Reserved]**

## **EXHIBIT H**

### **List of City Documents**

1. Creation Ordinance.
2. Assessment Ordinance
3. Bond Ordinance
4. Trust Indenture

# EXHIBIT I-1

## Assessment Roll

Planning Area	APN	Acreage	Land Use	Assessment Number	Assessment Amount	Owner Name & Mailing Address
C1	160-15-717-002	16.10	LDR	LID 20 - 01	\$ 804,910.00	LAKE LV RECOVERY ACQUISITION LLC 2030 LAKE LAS VEGAS PKWY HENDERSON NV 89101
C2	160-15-212-001 (portion)	12.30	LDR	LID 20 – 02	3,107,151.00	
	160-15-610-002 (portion)	16.05				
	160-15-610-004 (portion)	10.98				
	160-15-611-001 (portion)	<u>22.82</u>				
	Total	62.15				
C3	160-15-212-001 (portion)	48.93	LDR	LID 20 – 03	3,249,635.00	
	160-15-310-001 (portion)	6.05				
	160-15-611-001 (portion)	9.80				
	160-15-717-001 (portion)	<u>0.22</u>				
	Total	65.00				
C4	160-15-212-001 (portion)	35.76	LDR	LID 20 – 04	2,999,663.00	
	160-15-610-001 (portion)	9.70				
	160-15-610-002 (portion)	3.96				
	160-15-611-001 (portion)	4.48				
	160-15-717-001 (portion)	<u>6.10</u>				
	Total	60.00				
C5	160-15-212-001 (portion)	0.42	MDR	LID 20 -05	693,922.00	
	160-15-414-001 (portion)	<u>13.46</u>				
	Total	13.88				
C6	160-15-212-001 (portion)	0.61	LDR	LID 20 -06	962,392.00	
	160-15-414-001 (portion)	<u>18.64</u>				
	Total	19.25				
K	160-15-212-001 (portion)	7.17	MDR	LID 20 -07	531,440.00	
	160-22-115-001 (portion)	<u>3.46</u>				
	Total	10.63				
M1B	160-15-212-001 (portion)	23.59	MDR	LID 20 -08	1,180,867.00	
	160-15-310-001 (portion)	<u>0.03</u>				
	Total	23.62				
M5	160-15-212-001 (portion)	15.46	LDR	LID 20 -09	772,913.00	
W1	160-14-419-001	43.33	LDR	LID 20 -10	44,931.44	
W1	160-14-419-002		LDR	LID 20 -11	44,931.44	
W1	160-14-419-003		LDR	LID 20 -12	44,931.44	
W1	160-14-419-004		LDR	LID 20 -13	44,931.44	
W1	160-14-419-005		LDR	LID 20 -14	44,931.44	
W1	160-14-419-006		LDR	LID 20 -15	44,931.44	
W1	160-14-419-007		LDR	LID 20 -16	44,931.44	

W1	160-14-419-008		LDR	LID 20 -17	44,931.44
W1	160-14-419-009		LDR	LID 20 -18	44,931.44
W1	160-15-820-001		LDR	LID 20 -19	44,931.44
W1	160-15-820-002		LDR	LID 20 -20	44,931.44
W1	160-15-820-003		LDR	LID 20 -21	44,931.44
W1	160-15-820-004		LDR	LID 20 -22	44,931.44
W1	160-15-820-005		LDR	LID 20 -23	44,931.44
W1	160-15-820-006		LDR	LID 20 -24	44,931.44
W1	160-15-820-007		LDR	LID 20 -25	44,931.44
W1	160-15-820-008		LDR	LID 20 -26	44,931.44
W1	160-15-820-009		LDR	LID 20 -27	44,931.44
W1	160-15-820-010		LDR	LID 20 -28	44,931.44
W1	160-15-820-011		LDR	LID 20 -29	44,931.44
W1	160-15-820-012		LDR	LID 20 -30	44,931.44
W1	160-15-820-013		LDR	LID 20 -31	44,931.44
W1	160-15-820-014		LDR	LID 20 -32	44,931.44
W1	160-15-820-015		LDR	LID 20 -33	44,931.44
W1	160-15-820-016		LDR	LID 20 -34	44,931.44
W1	160-15-820-017		LDR	LID 20 -35	44,931.44
W1	160-15-820-018		LDR	LID 20 -36	44,931.44
W1	160-15-820-019		LDR	LID 20 -37	44,931.44
W1	160-15-820-020		LDR	LID 20 -38	44,931.44
W1	160-15-820-021		LDR	LID 20 -39	44,931.44
W1	160-15-820-022		LDR	LID 20 -40	44,931.44
W1	160-15-820-023		LDR	LID 20 -41	44,931.44
W1	160-15-820-024		LDR	LID 20 -42	728,450.95
W2	160-14-212-001 (portion)	0.28	LDR	LID 20 – 43	880,901.00
	160-14-212-002 (portion)	9.37			
	160-15-212-001 (portion)	2.06			
	160-15-610-004 (portion)	4.43			
	160-14-295-003 (portion)	0.09			
	160-14-395-002 (portion)	0.03			
	160-15-695-002 (portion)	0.01			
	160-15-795-004 (portion)	<u>1.35</u>			
	Total	17.62			
W3	160-14-212-001 (portion)	0.73	LDR	LID 20 – 44	<u>454,949.00</u>
	160-14-212-002 (portion)	2.79			
	160-15-212-001 (portion)	2.39			
	160-15-610-004 (portion)	2.32			
	160-14-295-003 (portion)	<u>0.87</u>			
	Total	<u>9.10</u>			
	<b>TOTAL</b>	<b>356.14</b>			<b>\$17,805,000.00</b>



## **EXHIBIT I-2**

**EXHIBIT J**  
**Permits Required**

## **EXHIBIT K**

### **Disclosure Statement to Property Buyers**

#### **City of Henderson Local Improvement District No. T-20 (Rainbow Canyon) Information Form**

Dear Property Owner,

**You are about to purchase a property in the City of Henderson, Nevada, Local Improvement District No. T-20 (Rainbow Canyon) (the "District"). THIS PROPERTY IS SUBJECT TO AN OUTSTANDING ASSESSMENT.** Below are some commonly asked questions regarding special assessment districts. Please take the time to read through all of the information.

**Why was the District created?**

In \_\_\_\_\_ of 2018, the City of Henderson (the "City") issued \$\_\_\_\_\_ in bonds to fund the acquisition and construction of certain street, water and sewer improvements specifically benefitting property located in the District.

**What are my assessment installment payments used for?**

To repay the principal and interest on the bonds issued to finance the street, water, and sewer improvements.

**Who is responsible for payment?**

Each assessment constitutes a lien on the property similar to a property tax lien and must be paid by the property owner.

**How often are assessments installments billed?**

Assessment installments are billed semi-annually. Assessment payments are due June 1 and December 1 of each year until \_\_\_\_ 1, 20\_\_\_\_. Late penalties for delinquent installments can be substantial. To avoid late penalties and potential sale and foreclosure proceedings, please pay the amount due prior to each due date. Late penalties accrue at the first of each month if payment is not received on or before each due date.

**Can the assessment be paid in advance?**

Yes. The assessment may be paid in full at any time, if interest is also paid to the next assessment installment payment date.

**Is there a premium charged for prepaying my assessment?**

Yes. The prepayment premium is 3% of the outstanding principal balance.

**What happens if I sell my home?**

The remaining assessment may be transferred to the new owner at the time of sale or paid off in advance as described above.

**Are there penalties for failure to pay/underpayment of assessment installments?**

Yes. If an assessment payment is not received by its due date indicated on the bill, a late penalty of 2% per month of the total outstanding assessment will be imposed. In addition, failure to pay an assessment installment when due may cause the whole amount of the outstanding assessment to become due and payable immediately as a result of the commencement of sale or foreclosure proceedings.

**What about Overpayments?**

If an overpayment is received, the amount of the overpayment will be credited in accordance with policy established by the City.

**Is my assessment limited to the property I own?**

Yes. The assessment levied on any property owner's parcel is limited to that individual piece of property. As a property owner, you will never be liable for any other owners' assessments.

## **EXHIBIT L**

### **Developer Payment Request Form**