

## **ORDINANCE NO. 2904**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH LAS VEGAS AUTHORIZING THE ISSUANCE BY THE CITY OF NORTH LAS VEGAS, NEVADA OF ITS GENERAL OBLIGATION (LIMITED TAX) WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2018D; AND PROVIDING OTHER MATTERS RELATED THERETO.**

WHEREAS, the City of North Las Vegas in the County of Clark and State of Nevada (the "City," the "County" and the "State," respectively) is a political subdivision of the State a body corporate and a city duly organized as a city under the provisions of Nevada Revised Statutes ("NRS") Chapter 268 and an act entitled "AN ACT incorporating the City of North Las Vegas in Clark County, Nevada, and defining the boundaries thereof, under a new charter; and providing other matters properly relating thereto," cited as Chapter 573, Statutes of Nevada, 1971, as amended (the "Charter"); and

WHEREAS, the City now owns and operates a municipal water system (the "Water System") and a municipal sanitary sewer system (the "Sewer System"; the Water System and the Sewer System are herein collectively designated as the "Municipal Utility System"); and

WHEREAS, the City Council of the City (the "Council" or "Governing Body") has determined and hereby declares that the public interest, health and welfare necessitates the financing of water projects as defined in NRS 268.728 (the "Project"); and

WHEREAS, pursuant to NRS 268.672 through 268.740, inclusive (the "City Bond Law"), Sections 7.030 and 2.270 of the Charter and NRS Chapter 350 and all laws amendatory thereof, which includes the Local Government Securities Laws, being NRS 350.500 through 350.720, and all laws amendatory thereof (the "Bond Act"), the Council is authorized to borrow money and to issue general obligation bonds of the City to acquire, improve, equip, operate and maintain water projects and for such purpose may issue bonds or other securities, and the Council has determined and declared that the Project is a municipal purpose within the meaning of the City Bond Law and the Charter provisions; and

WHEREAS, the Council submitted to the Debt Management Commission of Clark County, Nevada (the "Commission") the City's proposal to issue its general obligation (limited tax) water bond (additionally secured by pledged revenues) in the maximum principal amount of \$23,700,000 (the "Proposal"); and

WHEREAS, the Commission has heretofore duly approved the Proposal; and

WHEREAS, pursuant to NRS 350.020(3), the City published a notice of its intent to issue a maximum of \$23,700,000 of general obligation (limited tax) water bond (additionally

secured by pledged revenues), and no petition in conformity with NRS 350.020(3) requesting an election on the bonds was presented to the Council within 90 days after such publication; and

WHEREAS, none of the \$23,700,000 of the general obligation water bond contemplated by the Proposal have previously been issued; and

WHEREAS, the City has requested the Administrator of the Division of Environmental Protection of the Department of Conservation and Natural Resources as Administrator of the State of Nevada Account for the Revolving Fund (the "Administrator" and "Revolving Fund," respectively), under NRS 445A.200 to 445A.295, inclusive (the "Project Act"), to make a loan to the City by purchasing the bond authorized herein in the maximum principal amount of \$23,700,000; and

WHEREAS, the Board for Financing Water Projects has authorized the Administrator to make a loan to the City from the Revolving Fund to defray the cost of the Project; and

WHEREAS, the City intends to hereby authorize the issuance of its general obligation water bond in the principal amount as set forth in the Loan Contract (hereinafter defined) not to exceed \$23,700,000 to evidence the obligation to repay the loan from the Revolving Fund; and

WHEREAS, the Bond Act and the Project Act permit the general obligation water bond to be sold at private sale to the State; and

WHEREAS, after private negotiation pursuant to the Bond Act and the Project Act, the Council has determined to sell its general obligation water bond designated as the "City of North Las Vegas, Nevada, General Obligation (Limited Tax) Water Bond (Additionally Secured by Pledged Revenues), Series 2018D" (the "Bonds"; or the "Bond") to the State for a price equal to the principal amount of the Bond as set forth in the Loan Contract (as defined herein) and otherwise upon the terms provided below and in the Loan Contract; and

WHEREAS, the effective interest rate on the Bond 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 is accepted for the Bond; and

WHEREAS, the Council hereby elects to have the provisions of Chapter 348 of NRS (the "Supplemental Bond Act") apply to the Bond.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH LAS VEGAS DOES ORDAIN:

SECTION 1. SHORT TITLE. This Ordinance shall be known and may be cited as the "2018D Water Bond Ordinance."

SECTION 2. DEFINITIONS. The terms in this section and in the preambles hereof 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 on and in said preambles specified:

**"Administrator"** means the Administrator of the Division of Environmental Protection of the Department of Conservation and Natural Resources.

**"Bond Year"** means the 12-month period commencing on July 1 of a calendar year and ending on June 30 of the following calendar year.

**"Certificate of the Officer"** means the certificate executed by the City Manager or Chief Financial Officer, on or before the date of closing on the Bond.

**"Commercial Bank"** means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation.

**"Cost of the Project"** means all or any part designated by the Council for the cost of the Project, or interest therein, which cost, at the option of the Council, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

a. Preliminary expenses advanced by the City from money available for use therefor, or advanced by the Federal Government, or from any other source, with the approval of the Council;

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

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

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

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

f. The costs of contingencies;

g. The costs of the capitalization with the proceeds of the Bond or other securities relating to the Project of any operation and maintenance expenses appertaining to the Project and of any interest on the Bond or other securities relating to the Project for any period not exceeding the period estimated by the Council to effect the Project plus one year, of any discount on the Bond or such other securities, and of any reserves for the payment of the

principal of and interest on the Bond or such other securities, of any replacement expenses, and of any other cost of the issuance of the Bond or such other securities;

h. The costs of amending any ordinance or other instrument authorizing the issuance of or otherwise appertaining to outstanding bonds or other securities of the City;

i. The costs of funding any medium-term obligations, construction loans and other temporary loans of not exceeding ten years appertaining to the Project and of the incidental expenses incurred in connection with such loans;

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

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

l. The administrative expenses and issuance costs of the Bond and the State Treasurer through the Department of Conservation and Natural Resources; and

m. All other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the Council including rebates to the United States under Section 148 of the Tax Code.

**"Department"** means the State of Nevada Department of Conservation and Natural Resources.

**"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 notification, if any.

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

**"Gross Revenues"** means all income and revenues derived directly or indirectly by the City from the operation and use and otherwise pertaining to the Municipal Utility System or any part thereof, whether resulting from repairs, enlargements, extensions, betterments or other improvements to the Municipal Utility System, or otherwise, and includes all revenues received by the City from the Municipal Utility System, including, without limitation, all fees, rates, and other charges for the use of the Municipal Utility System, or for any service rendered by the City in the operation thereof, directly or indirectly, the availability of any such service or the sale or other disposal of any commodity derived therefrom, but excluding any moneys borrowed and used for the acquisition of capital improvements and any moneys received as grants, appropriations or gifts from the United States, the State or other sources, the use of which is limited by the grantor or donor to the construction of capital improvements for the Municipal Utility System, except to the extent any such moneys shall be received as payments for the use of the Municipal Utility System, services rendered thereby, the availability of any such service or the disposal of any such commodities. "Gross Revenues" shall also include all income or other gain from the investment of such income and revenues and of the proceeds of securities payable from Gross Revenues or Net Revenues.

**"Municipal Utility System"** means the Water System and Sewer System of the City, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City through purchase, construction or otherwise, and used in connection with such system of the City, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the City, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such system is from time to time extended, bettered or otherwise improved, or any combination thereof.

**"Net Revenues"** means the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses.

**"Operation and Maintenance Expenses"** means all reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the Municipal Utility System, including, without limitation:

- a. engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the Municipal Utility System;
- b. fidelity bond and property and liability insurance premiums pertaining to the Municipal Utility System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Municipal Utility System;
- c. payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

d. any general taxes, assessments, excise taxes or other charges which may be lawfully imposed upon the City, the Municipal Utility System, revenues therefrom or the City's income from or operations of any properties under its control and pertaining to the Municipal Utility System, or any privilege in connection with the Municipal Utility System or its operations;

e. the reasonable charges of any Paying Agent or Registrar and any depository bank pertaining to the Bond or any other securities payable from Gross Revenues or otherwise pertaining to the Municipal Utility System;

f. contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the Municipal Utility System or to the issuance of the Bond, or any other securities relating to the Municipal Utility System, including, without limitation, the expenses and compensation of any receiver or other fiduciary under the Bond Act;

g. the costs incurred by the Council in the collection and any refunds of all or any part of Gross Revenues;

h. any costs of utility services furnished to the Municipal Utility System;

i. any lawful refunds of any Gross Revenues; and

j. all other administrative, general and commercial expenses pertaining to the Municipal Utility System;

but excluding:

i. any allowance for depreciation;

ii. any costs of extensions, enlargements, betterments and other improvements, or any combination thereof;

iii. any reserves for major capital replacements, other than normal repairs;

iv. any reserves for operation, maintenance or repair of the Municipal Utility System;

v. any allowance for the redemption of any Bond or other security or the payment of any interest thereon or any prior redemption premium due in connection therewith;

vi. any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities, or any combination thereof, pertaining to the Municipal Utility System, or otherwise;

vii. any liabilities imposed on the City for any grounds of legal liability not based on contract, including, without limitation, negligence in the operation of the Municipal Utility System; and

viii. amounts transferred to the City's general fund as payments in lieu of taxes.

**"Outstanding"** when used with reference to the Bond or any other designated securities payable from Net Revenues and as of any particular date means all of the Bonds in any manner theretofore and thereupon being executed and delivered:

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

b. Except any Bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements to the date of maturity or to any Redemption Date shall have theretofore been deposited with a Trust Bank in escrow or in trust for that purpose, as provided in Section 58 hereof; and

c. 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.

**"Parity Securities"** means securities of the City pertaining to the Municipal Utility System and payable from and secured by Net Revenues on a parity with the Bond, to the extent issued in accordance with the terms, conditions and limitations hereof.

**"Paying Agent"** means the City Treasurer or any successor thereto as paying agent for the Bond.

**"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.

**"Purchaser"** means the State of Nevada, acting by and through the Administrator of the Division of Environmental Protection of the Department of Conservation and Natural Resources, as Administrator of the Account for the Revolving Fund to finance and refinance the construction of projects defined in NRS 445A.230 of the State of Nevada.

**"Redemption Date"** means a date fixed for the prepayment prior to their respective maturities of the Bond or other designated securities payable from any Net Revenues in any notice of prepayment or otherwise fixed and designated by the City Manager or the Chief Financial Officer.

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

**"Registrar"** means the City Treasurer or any successor thereto as registrar for the Bond.

**"Safe Drinking Water Act"** means the "Safe Drinking Water Act," 42 U.S.C. Sections 300f et seq., as amended.

**"Subordinate Securities"** means securities of the City pertaining to the Municipal Utility System and payable from and secured by Net Revenues subordinate and junior to the pledge thereof to the Bond, to the extent issued in accordance with the terms, conditions and limitations hereof.

**"Superior Securities"** means securities of the City pertaining to the Municipal Utility System and payable from and secured by Net Revenues superior and senior to the pledge thereof of the Bond, consisting of the Superior Bonds (as set forth in Section 37 hereof).

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

**"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 Federal Reserve Bank.

Other capitalized terms used herein shall have the meanings given to such terms in the text hereof, except where the context by clear implication otherwise requires.

**SECTION 3. SALE OF BOND; APPROVAL OF LOAN CONTRACT.** The sale of the Bond to the State on the terms provided herein and in accordance with the loan contract between the Department and the City, to be executed by the City Manager, on behalf of the City (the "Loan Contract") is hereby approved. The form, terms and provisions of the Loan Contract substantially in the form as is currently on file with the City Treasurer, with such amendments agreed to by the City Manager or the Chief Financial Officer of the City, and the execution by the City Manager shall be conclusive evidence of such agreement, not inconsistent with the provisions of this Ordinance is hereby ratified, approved and confirmed.

**SECTION 4. RATIFICATION.** All action heretofore taken by the Council and the officers of the City directed toward the Project and toward the issuance, sale and delivery of the Bond is hereby ratified, approved and confirmed.

SECTION 5. ESTIMATED LIFE OF FACILITIES. The Council, on behalf of the City, has determined and does hereby declare that the estimated life or estimated period of usefulness of the Project to be refinanced with the Bond is not less than the term of the Bond from the date of delivery of the Bond to the State to final maturity.

SECTION 6. NECESSITY OF PROJECT AND BOND. It is necessary and in the best interests of the Council, its officers, and the inhabitants of the City, that the City effect the Project and defray wholly or in part the cost thereof by the issuance of the Bond therefor; and it is hereby so determined and declared.

SECTION 7. AUTHORIZATION OF PROJECT. The Council hereby authorizes the Project.

SECTION 8. ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the purchase and the acceptance of the Bond by those who shall own the same from time to time, the provisions hereof shall be deemed to be and shall constitute a contract between the City and the registered owners from time to time of the Bond.

SECTION 9. BONDS EQUALLY SECURED. The covenants and agreements herein set forth to be performed 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 except as otherwise expressly provided in or pursuant to this Ordinance.

SECTION 10. GENERAL OBLIGATIONS. The Bonds, as to the principal thereof, the interest thereon and any prior redemption premiums due in connection therewith (the "Bond Requirements"), shall constitute general obligations of the City, which hereby pledges its full faith and credit for their payment. So far as possible, Bond Requirements shall be paid from Net Revenues of the Municipal Utility System of which the Project is a part. However, the Bond as to all Bond Requirements shall also be payable from the General Taxes (except to the extent that other moneys such as Net Revenues are available therefor) as herein provided.

SECTION 11. LIMITATIONS UPON SECURITY. The payment of the Bond is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the proceeds of General Taxes and any other moneys pledged for the payment of the Bond. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bond.

SECTION 12. NO RECOURSE AGAINST OFFICERS AND AGENTS. No recourse shall be had for the payment of the Bond Requirements of the Bond or for any claim based thereon or otherwise upon this Ordinance or any other instrument relating thereto, against any individual member of the Council or any officer or other agent of the Council or City, past, present or future, either directly or indirectly through the Council 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 the Bond and as a part of the consideration of its issuance specially waived and released.

SECTION 13. AUTHORIZATION OF THE BOND. For the purpose of providing funds to pay all or a portion of the Cost of the Project, the City shall issue its "City of North Las Vegas, Nevada, General Obligation (Limited Tax) Water Bond (Additionally Secured by Pledged

Revenues), Series 2018D," in the maximum aggregate principal amount of \$23,700,000. The Bond shall be in the form substantially as set forth in Section 24 hereof.

#### SECTION 14. BOND DETAILS.

A. The Bond shall be issued in fully registered form, i.e., registered as to both principal and interest, in compliance with Section 149 of the Tax Code, and the regulations of the Secretary of the Treasury thereunder. The Bond shall be dated initially as of the date of delivery thereof to the State, and shall be issued as a single bond in the maximum principal amount set forth in the Loan Contract for the Bond. The Bond shall bear interest (calculated on the basis of a 360 day year of twelve 30 day months) on the unpaid principal amount advanced from the date or dates of each advance until its maturity date (or, if redeemed prior to maturity as provided below, its redemption date) at the rate set forth in the Loan Contract for the Bond and, payable semiannually on January 1 and July 1 of each year commencing on January 1 or July 1 immediately succeeding the date of the first principal advance made to the City under the Loan Contract until maturity; provided that if the Bond is reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from the date of the Bond. The Bond shall mature serially on January 1 and July 1, commencing on the first January 1 or July 1, immediately following the earlier of: (i) the date the City draws the maximum principal amount as set forth in the Loan Contract for the Bond, (ii) the date the City completes the Project, or (iii) three years from date of the initial advance on the Bond. The amount of principal and interest payments shall be substantially in the amounts set forth in the Loan Contract which shall amortize the Outstanding Bond Requirements of the Bond in the amounts set forth in the Loan Contract for the Bond.

B. The principal of the Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption thereof and upon presentation and surrender at the office of the Paying Agent. If any installment of principal shall not be paid on or ten days after maturity, interest shall continue to accrue at the applicable interest rate until the principal thereof is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. Payment of interest on the Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof, at his or her address as shown on the registration records kept by the Registrar as of the close of business on the fifteenth day of the calendar month next preceding each interest payment date (other than a special interest payment date hereafter fixed for payment of defaulted interest) (the "Regular Record Date"); but any such interest not so timely paid or duly provided for shall cease to be payable to the owner thereof as shown on the registration records of the Registrar as of the close of business on the Regular Record Date and shall be payable to the owner thereof, at such owner's address, as shown on the registration records of the Registrar as of the close of business on a date fixed to determine the names and addresses of owners for the purpose of paying defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Bond not less than ten days prior thereto by electronic or

first-class mail to each such owner as shown on the Registrar's registration records as of 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.

C. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the owner of such Bond and the Paying Agent. So long as the State is the registered owner of the Bond, payments shall be made by electronic transfer in immediately available funds. So long as the State is the registered owner, such payment shall be made by depositing with the State Treasurer, not later than the principal or interest payment date, the amount coming due on the Bond on such date, or if such payment date is not a business day, on or before the next succeeding business day, immediately available funds in an amount sufficient to make the payment then due. The final installment of principal on the Bond whether at maturity or prior redemption (if the State consents to such prior redemption), shall be made only on presentation and surrender of the Bond at the office of the Paying Agent. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

SECTION 15. PREPAYMENT OPTION.

A. Optional Prepayment. Installments of principal on the Bond shall be subject to prepayment prior to maturity, at the option of the City, in whole or in part on any January 1 or July 1 from any installments of principal selected by the City, at a price equal to the principal amount of the Bond, or portion thereof, so prepaid, and the accrued interest thereon to the Redemption Date; provided that (i) the State Treasurer consents in writing to such prepayment or (ii) a change in use of the facilities financed by the Bond occurs which change in use necessitates remedial action under Treas. Reg. Section 1.141-12 in order to comply with the covenant in Section 57 hereof.

B. Partial Prepayment. In the case of a partial prepayment of the Bond pursuant to subsection (A) hereof, the Paying Agent shall select the portions of installments of the Bond to be prepaid by lot at such time as directed by the City Manager or Chief Financial Officer of the City (but at least 30 days prior to the prepayment date), and if such selection is more than 60 days before a Redemption Date, shall direct the Registrar to appropriately identify the principal installments of the Bond so called for prepayment by stamping them at the time the Bond or installments of principal thereof so selected for prepayment is presented to the Registrar for stamping or for exchange, or by such other method of identification as is deemed adequate by the Registrar, and any installments of the Bond issued in exchange for, or to replace, the Bond so called for prepayment shall likewise be stamped or otherwise identified.

C. Notice of Prepayment. Unless waived by the owner of the Bond or installments of principal to be prepaid, official notice of any such prepayment shall be given by the Registrar by mailing a copy of an official prepayment notice electronically or by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for prepayment to the registered owner of the Bond or any installment of principal to be prepaid at the address shown on the Bond register. Actual receipt of mailed notice by the owner of the Bond shall not be a condition precedent to prepayment of such Bond or any installment of

principal. Failure to give such notice to the registered owner of the Bond, or any defect therein, shall not affect the validity of the proceedings for the prepayment of any other installment of principal of the Bond. A certificate by the Registrar that such notice has been given as herein provided shall be conclusive against all parties.

All official notices of prepayment shall be dated and shall state:

1. The Redemption Date,
2. The Redemption Prices,
3. If less than all Outstanding installments of principal due on the Bond are to be prepaid, the identification (and, in the case of partial prepayment, the respective principal amounts) of the installments of principal on the Bond to be prepaid,
4. That on the Redemption Date the Redemption Price will become due and payable upon each such installments of principal to be prepaid or portion thereof called for prepayment, and that interest thereon shall cease to accrue from and after said date, and
5. The place where such Bond is to be surrendered for payment of the Redemption Price, which place of payment shall be the office of the Paying Agent (accrued interest to the prepayment date being payable by mail or as otherwise provided in this Ordinance).

Prior to or on any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all installments of principal on the Bond or portions thereof which are to be prepaid on that date.

Official notice of prepayment having been given as aforesaid, the Bond or installments thereof so to be prepaid shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Bond or installments thereof shall cease to bear interest. Upon surrender of such Bond for prepayment in accordance with said notice, such Bond shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial prepayment of the Bond, there shall be prepared for the registered owner a new Bond of the same maturity in the amount of the unpaid principal. All installments of principal on the Bond or the Bond which have been prepaid shall be noted on the prepayment panel appended to the Bond.

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

SECTION 16. COMPLIANCE WITH FEDERAL AND STATE LAWS. The City agrees that it will, at all times that the Bond is Outstanding, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules guidelines, regulations and requirements. The City covenants that it will comply with the requirements of the Safe Drinking Water Act and 40 CFR Part 31 and comply with, implement and fulfill all environmental mitigation measures committed to by the City as a part of its request to the Administrator for financing from the Revolving Fund.

SECTION 17. NEGOTIABILITY. The Bond shall be fully negotiable within the meaning of and for the purpose of the Uniform Commercial Code - Investment Securities and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

SECTION 18. REGISTRATION, TRANSFER AND EXCHANGE OF BONDS. The Bond or Bonds shall be subject to the following provisions relating to their registration, transfer and exchange:

A. Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender 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 owner or his or her 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 Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bond of the same maturity of other authorized denominations, as provided in Section 14 hereof. The Registrar shall authenticate and deliver a Bond which the owner making the exchange is entitled to receive, bearing a number not previously assigned. For every exchange or transfer of a Bond requested by the owner thereof, 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 a new Bond. No such charge shall be levied in the case of an exchange resulting from an optional prior redemption of a Bond.

B. The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business five (5) days before the date of mailing by the Registrar of a notice of prior redemption of the Bond and ending at the close of business on the date of such mailing, or (ii) any Bond after the mailing of notice calling such Bond, or any portion thereof, for redemption as herein provided.

C. The person in whose name any Bond shall be registered, on the registration books kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes (except to the extent otherwise provided in Section 14 hereof with respect to interest payments); 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 owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

E. 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 Council.

#### SECTION 19. EXECUTION AND AUTHENTICATION.

A. Prior to the execution of any Bond by facsimile signature, and pursuant to NRS 350.638, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Mayor of the City (the "Mayor"), the City Treasurer (the "Treasurer") and the City Clerk (the "Clerk") shall each file with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. The Bond shall be approved, signed and executed in the name of and on behalf of the City with the manual or facsimile signature of the Mayor, shall be countersigned and executed with the manual or facsimile signature of the Treasurer, and shall bear a manual impression or a facsimile of an impression of the official seal of the City attested with the manual or facsimile signature of the Clerk.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. By authenticating the Bond initially delivered pursuant to this Resolution, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

D. The Mayor, the Treasurer and the Clerk are hereby authorized and directed to prepare and to execute the Bond as herein provided.

SECTION 20. USE OF PREDECESSOR'S SIGNATURE. The Bonds bearing the signatures of the officers in office at the time of the execution of the Bonds shall be valid and binding obligations of the City, notwithstanding that before delivery any or all of the persons who executed such Bond or Bonds shall have ceased to fill their respective offices. The Mayor, the Treasurer, and the Clerk at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for his own facsimile signature the facsimile signature of his predecessor in office if such facsimile signature appears upon any of the Bonds.

SECTION 21. INCONTESTABLE RECITAL. Pursuant to NRS 350.628, the Bond shall contain a recital that it is issued pursuant to the Bond Act, which recital shall be conclusive evidence of the validity of the Bond and the regularity of its issuance.

SECTION 22. STATE TAX EXEMPTION. Pursuant to NRS 350.710, the Bond, its 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 the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

SECTION 23. USE OF SINGLE BOND. The Bond shall be initially evidenced by a single registered Bond in the maximum principal amount set forth in the Loan Contract for the Bond, numbered R-1, which Bond shall be manually signed and executed in the name of and on behalf of the City by the Mayor, countersigned and manually subscribed by the City Treasurer, with the seal of the City affixed thereto and attested and manually signed by the City Clerk. The principal installments and interest on the Bond shall be paid by check, draft or warrant made to the order of the registered owner of the Bond and mailed to the address of the registered owner shown on the Bond registration records of the Registrar on or before such payment date, or if such payment date is not a business day, on or before the next succeeding business day. So long as the State is the registered owner, such payment shall be made by depositing with the State Treasurer by electronic transfer, on or before the payment date, or if such payment date is not a business day, on or before the next succeeding business day, immediately available funds in an amount sufficient to make the payment then due. The final installment of principal on the Bond shall be made only upon surrender of the Bond at the office of the Paying Agent. The Bond shall mature in installments of principal and bear interest substantially as provided in Sections 13 through 15 hereof. If a portion of principal of the Bond is called for prepayment, no payment of the principal or Redemption Price of or interest on the Bond, due on or after the date fixed for prepayment shall be made unless the Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on such Bond. The Bond must be registered in the name of its owner and may be assigned by the registered owner in the manner and with the effect set forth in the provisions for registration contained in the form thereof hereinafter set forth.

The Treasurer shall act as Registrar and Paying Agent and shall maintain at such officer's office registration records for the Bond showing the name and address of the registered owner, the amounts and dates of any principal prepayments on the Bond and the dates of any transfers of the Bond.

SECTION 24. FORM OF BOND. The Bond shall be in substantially the following form, said form to be completed with necessary or appropriate variations, insertions, omissions, or endorsements consistent with the provisions of this Ordinance:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**CITY OF NORTH LAS VEGAS, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
WATER BOND  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES 2018D**

No. R-1  
Loan Contract #DW \_\_\_\_\_

Maximum Principal Amount: \$ \_\_\_\_\_

The City of North Las Vegas in the State of Nevada (the "City " and the "State", respectively) for value received hereby acknowledges itself to be indebted and promises to pay to the State of Nevada, c/o the State Treasurer, for deposit to the Account for the Revolving Fund (the "Revolving Fund"), the maximum principal sum of

\_\_\_\_\_ and No/100----Dollars (\$ \_\_\_\_\_)

or such lesser amount as shall represent the aggregate principal amount advanced under the Loan Contract (the "Loan Contract") between the City and the State of Nevada acting by and through the Department of Conservation and Natural Resources, Division of Environmental Protection in installments of principal in the amounts and years listed in the ordinance duly adopted by the City Council (the "Council") of the City on \_\_\_\_\_, 2018 (the "Ordinance") and the Loan Contract (unless prepaid as provided herein and noted on the Prepayment Panel appended hereto) in lawful money of the United States of America, together with interest on the unpaid installments of principal from the date or dates of each advance until payment of such installments of principal shall have been discharged as provided in the Ordinance, said interest being payable on January 1 and July 1 of each year commencing on the January 1 or July 1 immediately succeeding the date of the first principal advance made to the City under the Loan Contract, and said installments of principal bearing interest at the rate of \_\_\_\_\_% per annum, and being payable on January 1 and July 1 of the years and in the amounts and at the times designated in the Ordinance and the Loan Contract.

The principal of and interest on this Bond (the "Bond Requirements") are payable by check, draft or warrant made to the order of the registered owner hereof and mailed by the City Treasurer or any successor thereto as paying agent for this Bond (the "Paying Agent") to the address shown for the registered owner on the registration records of the City Treasurer or any successor thereto as registrar for the Bond (the "Registrar"). If the State is the registered owner hereof, payment of the Bond Requirements shall be made by depositing with the State Treasurer, on or before any principal or interest payment date or prior redemption date, the amount coming due on such payment date, by electronic transfer in immediately available funds. So long as the State is the registered owner, payment of the Bond Requirements shall be made by depositing with the State Treasurer, on or before any principal or interest payment date or prior redemption date, the amount coming due on such payment date by electronic transfer in immediately available funds. If any payment date is not a business day, payment may be made on or before

the next succeeding business day. If payment of any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate specified for such installment in the Ordinance until such principal installment is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the City (the "Bond") to finance water projects as defined in NRS 268.728 (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") 350.500 through 350.720, and all laws amendatory thereof designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS 350.011 to 350.0165, inclusive; pursuant to NRS 350.020(3); pursuant to NRS 268.672 through 268.740, inclusive, pursuant to NRS 445A.200 to 445A.295, inclusive (the "SRF Act"); and pursuant to NRS Chapter 348; pursuant to NRS 350.628, this recital is conclusive evidence of the validity of the Bond and the regularity of its issuance; and pursuant to NRS 350.710, the Bond, its 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 the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of Chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance. Prepayment shall be made on not less than 30 days prior notice in the manner and upon the conditions provided in the Ordinance. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of this Bond is called for prepayment, no payment of the principal of and interest due in connection with this Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on the Prepayment Panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that the total indebtedness of the City, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all taxable property within the City sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues 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 of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the City from the

operation and use of, and otherwise pertaining to, the water and sewer systems of the City of which the project financed by this Bond is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the City, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable second lien (but not an exclusive second lien) upon the Net Revenues, subordinate to the lien on the Net Revenues of the Superior Securities and on a parity with the lien on the Net Revenues of the City's Outstanding Parity Securities (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the City, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the City taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the Council 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.

**IN WITNESS WHEREOF**, the City of North Las Vegas, Nevada, has caused this Bond to be executed in its name by the manual signature of its Mayor, to be countersigned by the manual signature of its Treasurer, and attested by the manual signature of its City Clerk and has caused the seal of the City to be reproduced hereon, all as of the \_\_ day of \_\_\_\_, 2018, i.e., the date of delivery of this Bond.

CITY OF NORTH LAS VEGAS, NEVADA

\_\_\_\_\_  
(Manual or Facsimile Signature)  
Mayor

Countersigned:

(SEAL)

\_\_\_\_\_  
(Manual or Facsimile Signature)  
City Treasurer

Attest:

\_\_\_\_\_  
(Manual or Facsimile Signature)  
City Clerk

(End of Form of Bond)

(Form of Registration and Authentication Panel on Back of Bond)

**AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT  
AS TO PRINCIPAL AND INTEREST**

The within Bond is registered in the office of the Treasurer of the City of North Las Vegas, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

<u>Date of Authentication and Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
	State of Nevada, Treasurer, as Custodian of the Revolving Fund of the State of Nevada	State Treasurer 101 North Carson #4 Carson City, Nevada 89701	

(End of Form of Registration and Authentication Panel)

(Form of Principal Advance Panel)

**CITY OF NORTH LAS VEGAS, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
WATER BOND  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES 2018D  
Maximum Principal Amount of \$23,700,000  
Loan Contract # \_\_\_\_\_**

PRINCIPAL ADVANCE PANEL

<u>Amount of Principal Advanced</u>	<u>Date of Advance</u>	<u>Signature of City Treasurer</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(End of Form of Principal Advance Panel)

(Form of Principal Prepayment Panel on Bond)

**CITY OF NORTH LAS VEGAS, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
WATER BOND  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES 2018D**

MAXIMUM PRINCIPAL AMOUNT: \$23,700,000

LOAN CONTRACT NO.: \_\_\_\_\_

**PREPAYMENT PANEL**

The following installments of principal (or portions thereof) of this Bond have been prepaid by the City of North Las Vegas, Nevada, in accordance with the terms of the within-mentioned Ordinance.

Date of Prepayment	Due Date of Installments (or portions thereof) Prepaid	Principal Amount Prepaid	Signature of Paying Agent
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(End of Form of Principal Prepayment Panel)

SECTION 25. DELIVERY OF THE BOND; DEPOSIT OF PROCEEDS. When the Bond has been duly executed, the City Treasurer shall cause it to be delivered to the State upon receipt of the initial advance under the Bond and shall authenticate and register it in the name of the State on the Bond registration records of the Registrar and make notation of such registration on the registration panel appended to the Bond. The City Treasurer shall cause the proceeds of the Bond to be deposited into a special account hereby created and designated as the "City of North Las Vegas, Nevada, General Obligation (Limited Tax) Water Bond (Additionally Secured by Pledged Revenues), Series 2018D, Acquisition Account" (the "Acquisition Account") to be held by the City. Moneys in the Acquisition Account shall be used solely to defray wholly or in part the Cost of the Project including, without limitation, as provided in NRS 350.516, all costs of issuing the Bond, and the costs of rebates to the United States under Section 148 of the Tax Code, which the Council hereby determines are necessary and desirable and pertain to the Project. After the Project is complete and after all expenses have been paid or adequate provision therefore is made, pursuant to NRS 350.650, any unexpended balance of Bond proceeds (or, unless otherwise required by law, any other moneys) remaining in the Acquisition Account shall be deposited into the Bond Fund hereinafter created to be used to pay the principal of and interest on the Bond.

SECTION 26. COMPLETION OF PROJECT. The City, with the proceeds derived from the sale of the Bond, shall proceed to complete the Project with due diligence.

SECTION 27. USE OF INVESTMENT GAIN. Pursuant to NRS 350.658, and except as may otherwise be required herein, any gain from any investment and any reinvestment of any proceeds of the Bond shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Acquisition Account to defray, in part, the Cost of the Project or, if adequate provision has been made for the Project, into the Bond Fund hereinafter created, for the respective payment of the principal of or interest on the Bond or any combination thereof. As provided herein, the annual General Taxes for the payment of the principal of or interest on the Bond levied after such deposits of any such investment or reinvestment gain may be diminished to the extent of the availability of such deposit for the payment of such principal or interest.

SECTION 28. PREVENTION OF BOND DEFAULT. Subject to the provisions of this Ordinance, the Treasurer shall use any Bond proceeds credited to the Acquisition Account, without further order or warrant, to pay the Bond Requirements of the Bond as the same become due whenever and to the extent moneys otherwise available therefor are insufficient for that purpose, unless such Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The Treasurer shall promptly notify the Council of any such use.

SECTION 29. PURCHASER NOT RESPONSIBLE. The validity of the Bond shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project, or any part thereof, or to the completion of the Project. Neither the State, nor any subsequent owner of the Bond shall in any 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 Bond or of any other moneys referred to in this Ordinance.

SECTION 30. GENERAL TAX LEVIES. So far as possible, the Bond Requirements of the Bond shall be paid from Net Revenues of the Municipal Utility System. However, pursuant to NRS 350.596, at any time when there are not on hand from such tax levy or levies sufficient funds on deposit in the Bond Fund to pay, when due the principal of and interest on the Bond, the Bond Requirements shall be paid out of a general fund of the City or out of any other funds that may be available for such purpose, including, without limitation, any proceeds of General Taxes. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available without replacement for the payment of such Bond Requirements on other than a temporary basis), and for the purpose of creating funds for the payment of the Bond Requirements, there are hereby created two separate accounts designated as the "City of North Las Vegas, Nevada, General Obligation (Limited Tax) Water Bond (Additionally Secured by Pledged Revenues), Series 2018D, Interest Account" (the "Interest Account") and the "City of North Las Vegas, Nevada, General Obligation (Limited Tax) Water Bond (Additionally Secured by Pledged Revenues), Series 2018D, Principal Account" (the "Principal Account") (collectively, the "Bond Fund"). Pursuant to NRS 350.592 and 350.594, there shall be duly levied immediately after the issuance of the Bond 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, including the net proceeds of mines, fully sufficient to reimburse such fund or funds for any such amounts temporarily advanced to pay such initial installments of principal and interest, and to pay the interest on the Bond becoming due after such initial installment, and to pay and retire the Bond as it thereafter becomes due at maturity as herein provided, after there are made due allowances for probable delinquencies. The proceeds of such annual levies shall be duly credited to such separate accounts for the payment of such Bond Requirements. In the preparation of the annual budget or appropriation resolution or ordinance for the City, the Council 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 Bond, subject to the limitation imposed by NRS 361.453 and Section 2, art. 10, State Constitution, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the City.

SECTION 31. PRIORITIES FOR THE BOND. As provided in NRS 361.463, in any year in which the total General Taxes levied against the property in the City by all overlapping units within the boundaries of the City exceeds the limitation imposed by NRS 361.453, or a lesser or greater amount fixed by the State Board of Examiners in any Fiscal Year, and it becomes necessary 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 32. CORRELATION OF LEVIES. Such General Taxes shall be levied and collected in the same manner and at the same time as other taxes are levied and collected, and the proceeds thereof for the Bond shall be kept in the Principal Account and in the Interest Account, which

accounts shall be used for no other purpose than the payment of principal and interest, respectively, as the same fall due.

SECTION 33. USE OF GENERAL FUND. Any sums becoming due on the Bond at any time when there are on hand from such General Taxes (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 General Taxes herein provided for have been collected, pursuant to NRS 350.596.

SECTION 34. USE OF OTHER FUNDS. Nothing in this Ordinance prevents the City from applying any funds (other than General Taxes but including Net Revenues) that may be available for that purpose to the payment of the Bond Requirements as the same, respectively, fall due, and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 350.598.

SECTION 35. LEGISLATIVE DUTIES. In accordance with NRS 350.592, it shall be the duty of the Council 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 Council 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 Bond and the 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 Bond as hereinbefore specified.

SECTION 36. APPROPRIATION OF GENERAL TAXES. In accordance with NRS 350.602, there is hereby specially appropriated the proceeds of such General Taxes to the payment of such principal of and interest on the Bond; and such appropriations will not be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the Bond Requirements of the Bond have been wholly paid.

SECTION 37. PLEDGE OF GROSS REVENUES. Subject only to the provisions of this Ordinance permitting the application thereof for or to the purposes and on the terms and conditions set forth herein, there are hereby additionally pledged to secure the payment of principal of and interest on the Bond in accordance with their terms and the provisions of this Ordinance, all of the Gross Revenues of the Municipal Utility System. This pledge shall be valid and binding from and after the date of the delivery of the Bond; and the Gross Revenues, as received by the City 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 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 lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any and all other obligations and liabilities of the City payable from the Gross Revenues, except as herein otherwise provided. The lien of this pledge for the Bond is subordinate to the pledge of the Gross Revenues for the City's Outstanding General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues),

Series 2005A (the "2005A Bonds"), General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2005B (the "2005B Bonds"), General Obligation (Limited Tax) Wastewater Reclamation System Bonds (Additionally Secured by Pledged Revenues), Series 2006 (the "2006 Bonds") and the General Obligation (Limited Tax) Wastewater Reclamation System Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2017A (the "2017A Bonds"). The 2005A Bonds, the 2005B Bonds, the 2006 Bonds and the 2017A Bonds (collectively the "Superior Bonds"). The lien of this pledge for the Bond is on a parity with the pledge of the Gross Revenues for the City's General Obligation (Limited Tax) Water and Wastewater Improvement Bonds (Additionally Secured By Pledged Revenues) Series 2010A (Taxable Direct Pay Build America Bonds), General Obligation (Limited Tax) Wastewater Reclamation System Bond (Additionally Secured by Pledged Revenues), Series 2018B and General Obligation (Limited Tax) Water Bond (Additionally Secured by Pledged Revenues), Series 2018C and the Bond shall be equitably and ratably secured by the pledge of Gross Revenues hereunder on a subordinate basis to the Superior Securities; and the Bond and the Parity Securities are not entitled to any priority one over the other in the application of Gross Revenues.

**SECTION 38. WATER UTILITY ENTERPRISE FUND AND SEWER UTILITY ENTERPRISE FUND.** So long as the Bond hereby authorized shall be Outstanding as to any Bond Requirements, the entire Gross Revenues of the Water System upon their receipt from time to time by the City shall be set aside and credited immediately to a special account heretofore created designated as the "City of North Las Vegas Water Utility Enterprise Fund" (the "Water Utility Enterprise Fund"). In addition, and so long as the Bond hereby authorized shall be Outstanding as to any Bond Requirements, the entire Gross Revenues of the Sewer System upon their receipt from time to time by the City shall be set aside and credited immediately to a special account heretofore created, designated as the "City of North Las Vegas Sewer Utility Enterprise Fund" (the "Sewer Utility Enterprise Fund"); so long as the Bond hereby authorized shall be Outstanding as to any Bond Requirements each Fiscal Year, the Water Utility Enterprise Fund and the Sewer Utility Enterprise Fund shall be administered and the moneys on deposit in each account shall be applied in the order of priority specified in Sections 39 through 44 hereof.

**SECTION 39. OPERATION AND MAINTENANCE FUND.** First as a first charge on the Water Utility Enterprise Fund so long as the Bond hereby authorized shall be Outstanding as to any Bond Requirements, there shall be set aside in and credited to a separate account from time to time (such account heretofore created) and known as the City of North Las Vegas Water System Operation and Maintenance Fund (the "Water System Operation and Maintenance Fund") money sufficient to pay operation and maintenance expenses of the Water System, and so long as the Bond hereby authorized shall be Outstanding as a first charge on the Sewer Utility Enterprise Fund there shall be set aside in and credited to from time to time a separate account heretofore created and known as the "City of North Las Vegas Sewer System Operation and Maintenance Fund" (the "Sewer System Operation and Maintenance Fund") money sufficient to pay operation and maintenance expenses of the Sewer System, such operation and maintenance expenses of the Water System and of the Sewer System are to be as budgeted and approved in accordance with the Budget Act and as such expenses become due and payable thereupon they shall be promptly paid; any surplus remaining at the end of the Fiscal Year and not needed for operation and maintenance expenses of the Water System shall be transferred to the Water

Utility Enterprise Fund and shall be used for the purposes thereof as herein provided. Any surplus remaining at the end of the Fiscal Year and not needed for operation and maintenance expenses of the Sewer System shall be transferred to the Sewer Utility Enterprise Fund and shall be used for the purposes thereof as herein provided.

SECTION 40. SUPERIOR SECURITIES. Second, from any moneys thereafter remaining in the Water Utility Enterprise Fund and Sewer Utility Enterprise Fund, i.e., from the Net Revenues, there shall be transferred and credited to the funds and accounts established for the Superior Securities such transfers and credits as are required by the bond ordinances authorizing the Superior Securities prior to the application of Net Revenues for securities that are subordinate to the Superior Securities.

SECTION 41. BOND FUND. Third, from any moneys thereafter remaining in the Water Utility Enterprise Fund and Sewer Utility Enterprise Fund, i.e., from the Net Revenues and concurrent with transfers to the bond funds created with respect to the Prior Bonds and with respect to any Parity Securities, there shall be transferred and credited to the Bond Fund, the following:

A. Monthly, commencing on the first day of the month immediately succeeding the delivery date of the Bond, 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 Outstanding Bond, 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 Outstanding Bond.

B. Monthly, commencing on the first day of the month immediately succeeding the delivery date of the Bond, 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 principal on the Outstanding Bond, and monthly thereafter, commencing on each principal payment date, one twelfth of the amount necessary to pay the next maturing installments of principal of the Outstanding Bond. The money credited to the Bond Fund shall be used to pay the Bond Requirements of the Bond as such Bond Requirements become due.

C. The City hereby covenants to deposit any BAB Credit received with respect to the 2010A Bonds in the Bond Fund to the extent needed to provide for the next succeeding interest payment due on the Bond; but, if taking into account the amount already deposited into the Bond Fund all or any portion of the BAB Credit is not needed to pay the next succeeding interest payment on the Bond, the portion not so needed shall be used to reimburse the City for the amount already deposited into the Bond Fund as shall be applied as otherwise provided in Sections 37 through 44 hereof. (Please confirm these referenced Section Nos. are correct.)

SECTION 42. 2018D REBATE ACCOUNT. Fourth, after the aforementioned deposits, and from the Net Revenues there shall be transferred and credited to a special and separate account hereby created and designated as the "City of North Las Vegas, General Obligation (Limited

Tax) Water Bond (Additionally Secured by Pledged Revenues), Series 2018D, Rebate Account" (the "2018D Rebate Account") and to any other fund or account established for payment of amounts due the United States under Section 148(f) of the Tax Code in connection with any Parity Securities such amounts as are required to be deposited therein to meet the City's obligations under the covenant contained in Section 57 hereof, in accordance with Section 148(f) of the Tax Code. Such deposits shall be made at such times as are required by Section 148(f) of the Tax Code and such covenant and amounts in the 2018D 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 2018D Rebate Account in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Revenue Fund. (Please confirm this Section No. is correct.)

**SECTION 43. PAYMENT OF SUBORDINATE SECURITIES.** Fifth, any moneys thereafter remaining in the Revenue Fund may be used by the City for the payment of the principal of and interest on, and payments to the United States required by Section 148(f) of the Tax Code with respect to, Subordinate Securities; and may be used to create reasonable reserves for such securities.

**SECTION 44. SURPLUS REVENUES.** Sixth, any moneys thereafter remaining in the Revenue Fund may be used by the City at the end of any Fiscal Year of the City, or whenever there shall have been credited all amounts required to be deposited in the respective foregoing separate accounts for all of that Fiscal Year, for any lawful purposes of the City, as the Council may from time to time determine, including, without limitation, for the creation of operation and maintenance reserves and capital reserves, the payment of capital costs and major maintenance costs of the Municipal Utility System, to pay any other obligations pertaining to the Municipal Utility System or otherwise.

**SECTION 45. TERMINATION OF DEPOSITS.** No payment need be made into the Bond Fund if the amounts in that fund total a sum at least equal to the entire amount of the Outstanding Bonds as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case moneys in such fund in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

**SECTION 46. EQUAL SECURITY.** The Prior Bonds, the Bond and any Parity Securities from time to time Outstanding shall be equally and ratably secured by the pledge of Gross Revenues hereunder and shall not be entitled to any priority one over the other in the application of the Gross Revenues regardless of the time or times of the issuance of the Prior Bonds, the Bond and any Parity Securities.

**SECTION 47. DEFRAYING DELINQUENCIES.** If at any time the City shall for any reason fail to pay into the Bond Fund or the 2018D Rebate Account the full amount above stipulated from the Net Revenues, then an amount shall be paid first into the Bond Fund and second into the 2018D Rebate Account at such time equal to the difference between that paid from the Net

Revenues and the full amount so stipulated. If the Prior Bonds or Parity Securities are Outstanding, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a bond fund, reserve fund or rebate account therefor, then the moneys replaced in such funds shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bond and the then Outstanding Prior Bonds and Parity Securities, as moneys become available therefor, first into all of such bond funds and reserve funds and second into all such rebate accounts.

**SECTION 48. SUPERIOR SECURITIES.** The City shall not issue any additional Superior Securities; however, the Superior Bonds Outstanding on the date of issuance of the Bond shall continue as Superior Securities until paid and discharged in accordance with their terms, including any bonds refunding such Superior Securities.

**SECTION 49. CONDITIONS TO ADDITIONAL PARITY SECURITIES.**

A. Nothing herein, except as expressly hereinafter provided, shall prevent the issuance by the City of additional securities payable from Net Revenues and constituting a lien thereon on a parity with, but not prior or superior to, the lien thereon of the Bond, provided, however, that the following are express conditions to the authorization and issuance of any such Parity Securities:

1. At the time of adoption of the instrument authorizing the issuance of the additional Parity Securities, the City shall not be in default in the payment of principal of or interest on the Bond.

2. The Net Revenues (subject to adjustments as hereinafter provided) projected by the City's City Manager or Chief Financial Officer, City Engineer or an Independent Accountant or consulting engineer to be derived in the later of (i) the Fiscal Year immediately following the Fiscal Year in which the facilities to be financed with the proceeds of the additional Parity Securities are projected to be completed or (ii) the first Fiscal Year for which no interest has been capitalized for the payment of any Parity Securities, including the Parity Securities proposed to be issued, will be sufficient to pay at least an amount equal to the principal and interest requirements (to be paid during that Fiscal Year) of the Outstanding Bond, any other Outstanding Parity Securities of the City and the Parity Securities proposed to be issued (excluding any reserves therefor).

B. In any determination of whether or not additional Parity Securities may be issued in accordance with the foregoing earnings test, consideration shall be given to any probable estimated increase or reduction in Operation and Maintenance expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional Parity Securities.

C. In any determination of whether or not additional Parity Securities may be issued in accordance with the foregoing earnings test, the respective annual principal (or redemption price) and interest requirements shall be reduced to the extent such requirements are

scheduled to be paid with moneys held in trust or in escrow for that purpose by any Trust Bank, including the known minimum yield from any investment in Federal Securities.

D. A written certificate or written opinion by the City's City Manager or Chief Financial Officer, the City Engineer, or an independent accountant or consulting engineer that the foregoing earnings test is met shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver additional Parity Securities.

E. In connection with the authorization of any such additional securities the Council may on behalf of the City adopt any additional covenants or agreements with the holders of such additional securities; provided, however, that no such covenant or agreement may be in conflict with the covenants and agreements of the City herein and no such covenant or agreement may be materially adverse to the interests of the holders of the Bond. Any finding of the Council to the effect that the foregoing requirements are met shall, if made in good faith, conclusively establish that the foregoing requirements have been met for purposes of this Ordinance.

SECTION 50. SUBORDINATE SECURITIES. Nothing herein, except as expressly hereinafter provided, shall prevent the City from issuing additional securities payable from Net Revenues and constituting a lien thereon subordinate to the lien thereon of the Bond and any Outstanding Parity Securities.

SECTION 51. ISSUANCE OF REFUNDING BONDS.

A. At any time after the Bond, or any part thereof, is issued and remains Outstanding, if the City shall find it desirable to refund any Outstanding Bonds or other Outstanding Superior, Parity or Subordinate Securities, 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 securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Gross Revenues is changed (except as provided in Section 51D hereof).

B. The refunding bonds or other refunding securities so issued 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.

C. Any refunding bonds or other refunding securities payable from any Gross Revenues shall be issued with such details as the Council may by ordinance provide, subject to the provisions of this section 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 Bond).

D. If only a part of the Outstanding Bond and other Outstanding securities of any issue or issues payable from the Gross 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:

1. Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate 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, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Net Revenues is not raised to a higher priority than the lien thereon of the Bond or other securities thereby refunded; or

2. Unless the lien on any Gross Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

3. Unless the refunding bonds or other refunding securities are issued in compliance with Section 49 hereof.

**SECTION 52. OPERATION OF THE SYSTEM.** The City shall at all times operate the Municipal Utility System properly and in a sound and economical manner and shall maintain, preserve and keep the Municipal Utility System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The City also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Municipal Utility System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating water and sanitary systems of like size and character. Except for the use of the Municipal Utility System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the Municipal Utility System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until the Bond has been paid in full, or unless provision has been made therefor as hereinafter provided.

**SECTION 53. PAYMENT OF TAXES, ETC.** The City shall pay or cause to be paid all taxes, assessments and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Municipal Utility System or any part thereof, or upon any portion of the Gross Revenues, when the same shall become due. The City shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Municipal Utility System or any part thereof, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien or charge on the Municipal Utility System or any part thereof, or upon the Gross Revenues, except the pledge and lien created by this Ordinance for the payment of the Prior Bonds, the Bond and any Outstanding Parity or Subordinate Securities issued in accordance herewith, and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects

which, if unpaid, might by law become a lien upon the Municipal Utility System or any part thereof, or upon the Gross Revenues. Nothing herein contained requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

SECTION 54. NO COMPETING FACILITIES. The City shall neither construct nor permit to be constructed other facilities or structures to be operated by the City separate from the Municipal Utility System and competing for Gross Revenues otherwise available for the payment of the Bond or any other securities payable from Net Revenues; provided, however, that nothing herein contained shall impair the police powers of the City or otherwise cause the City to violate any applicable law.

SECTION 55. RATE COVENANT. The City shall not provide free service through the Municipal Utility System. The City shall charge against users or against purchasers of services or commodities pertaining to the Municipal Utility System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the City at least equal to the sum of:

A. an amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

B. an amount equal to the debt service due in such Fiscal Year on the then Outstanding Superior Securities, the Bond and any Outstanding Parity Securities; and

C. any other amounts payable from the Net Revenues and pertaining to the Municipal Utility System, including, without limitation, debt service on any Subordinate Securities and any other securities pertaining to the Municipal Utility System, operation and maintenance reserves, capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate covenant is subject to compliance by the City with any legislation of the United States of America, the State or other governmental body, or any regulation or other action taken by the United States, the State or any agency or political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges collectible by the City for the use of or otherwise pertaining to, and all services rendered by, the Municipal Utility System.

Subject to the foregoing, the City shall cause all fees, rates and other charges pertaining to the Municipal Utility System to be collected as soon as reasonable and shall provide methods of collection and penalties to the end that the Gross Revenues shall be adequate to meet the requirements hereof.

SECTION 56. ACCOUNTS AND RECORDS. So long as any portion of the Bond remains Outstanding, proper accounts and records 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 Municipal Utility System and to all moneys pertaining thereto, including, without limitation, the Gross Revenues.

**SECTION 57. TAX COVENANT.** The City covenants for the benefit of the owners of the Bond that it will not take any action or omit to take any action with respect to the Bond, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Bond if such action or omission (i) would cause the interest on the Bond 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 Bond to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent that such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income for taxable years of corporations beginning before January 1, 2018. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bond until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

**SECTION 58. DEFEASANCE.** When all Bond Requirements of any Bond have been duly paid, the pledge, the lien, and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the City has placed in escrow or in trust with a Trust Bank, an amount sufficient (including the known minimum yield available for such purpose from the Federal Securities in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond, 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 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 Trust 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 holders thereof to assure availability as 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. When such defeasance is accomplished, the Paying Agent shall mail written notice of the defeasance to the registered owner of the Bond at the addresses last shown on the registration records for the Bond maintained by the Registrar.

**SECTION 59. AMENDMENTS.** This Ordinance may be amended or supplemented by instruments adopted by the City, without receipt by the City of any additional consideration, but with the written consent of the insurer of the Bond, if any, or the owners of 66% in aggregate principal amount of the Bond Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding the Bond 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 Bond if the refunding securities are not owned by the City. No such instrument shall permit:

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

B. A reduction in the principal amount of any Bond, the rate of interest thereon, without the consent of the owner of the Bond; or

C. A reduction of the principal amount or percentages or otherwise affecting the description of the Bond the consent of the owners of which is required for any modification or amendment; or

D. The establishment of priorities as between the Bond issued and Outstanding under the provisions of this Ordinance; or

E. The modification of, or other action which materially and prejudicially affects the rights or privileges of the owners of less than all of the Bond then Outstanding.

Whenever the City proposes to amend or modify this Ordinance under the provisions hereof, it shall cause notice of the proposed amendment to be mailed within 30 days to the State Treasurer of the Bond, if any, or each registered owner of each registered Bond. 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 City Clerk for public inspection.

At any time within one year from the date of such notice there shall be filed in the office of the City Clerk an instrument or instruments executed by the owners of at least 66% in aggregate principal amount of the Bond 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 Council may adopt the amendatory instrument and the instrument shall become effective.

If the owners of at least 66% in aggregate principal amount of the Bond 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 the Bond, whether or not the owner shall have consented thereto, 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. Any consent given by the insurer of the Bond, if any, or the holder of a Bond pursuant to the provisions hereof shall be irrevocable.

The Bond authenticated and delivered after the effective date of any action taken as provided in this Section 59 may bear a notation by endorsement or otherwise in form approved by the City as to the action; and if the Bond so authenticated and delivered shall bear such notation, then upon demand of the owner of the Bond Outstanding at such effective date and upon presentation of his Bond, suitable notation shall be made on the Bond as to any

such action. If the City so determines, a new Bond so modified as in the opinion of the City to conform to such action shall be prepared, registered and delivered; and upon demand of the owner of the Bond then Outstanding, shall be exchanged without cost to the owner for the Bond then Outstanding upon surrender of such Bond.

**SECTION 60. REPLACEMENT OF REGISTRAR OR PAYING AGENT.** If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Council shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the Council may, upon notice mailed to each owner of any Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same person or institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same person or institution serve as both Registrar and Paying Agent. Any successor by merger with the Registrar and Paying Agent is automatically appointed as Registrar and Paying Agent hereunder without any further action of the Council, as long as the successor otherwise is qualified to act as Registrar and Paying Agent pursuant to this section. Any bank, trust company or national banking association into which the Registrar and/or Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust business shall be the successor of the Registrar and/or Paying Agent under this Ordinance with the same rights, powers, duties and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**SECTION 61. DELEGATED POWERS.** The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

- A. The printing of the Bond, including, without limitation;
- B. The execution of such certificates as may be reasonably required by the State, relating, inter alia,
  - 1. to the signing of the Bond,
  - 2. to the tenure and identity of the officials of the City,
  - 3. to the assessed valuation of the taxable property in and the indebtedness of the City,
  - 4. to the rate of taxes levied against the taxable property within the City,
  - 5. the exemption of interest on the Bond from federal income taxation,

6. the delivery of the Bond and the receipt of the Bond purchase price,

7. the completeness and accuracy of any information provided to the State in connection with the Bond as of the date of delivery of the Bond, and

8. if it is in accordance with the fact, the absence of litigation, pending or threatened, affecting the validity of the Bond;

C. The completion and execution of the Certificate of the Officer and the completion, execution and delivery of the Loan Contract by the City Manager or the Chief Financial Officer on behalf of the City; and

D. The assembly and dissemination of financial and other information concerning the City and the Bond.

SECTION 62. REPEALER. All resolutions and ordinances, bylaws and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, ordinance, bylaw, order, or part thereof, heretofore repealed.

SECTION 63. SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 64. PUBLICATION OF PROPOSED ORDINANCE. When first proposed, this Ordinance must be read to the Council by title, immediately after which an adequate number of copies of this Ordinance must be deposited with the City Clerk for public examination and distribution. Notice of the deposit must be published once in a newspaper published and having general circulation in the City at least 10 days before the adoption of the Ordinance, such publication to be in substantially the following form:



SECTION 65. EFFECTIVE DATE. This Ordinance shall become effective after its passage by the Council and, after such passage by the Council, publication once by title in a newspaper qualified pursuant to the provisions of Chapter 238 of NRS, as amended from time to time. Such publication shall be in substantially the following form:

(Form of Publication of Adoption of Ordinance)

**ORDINANCE NO. 2904**

**AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE  
CITY OF NORTH LAS VEGAS, NEVADA, OF ITS  
GENERAL OBLIGATION (LIMITED TAX) WATER BOND  
(ADDITIONALLY SECURED BY PLEDGED REVENUES),  
SERIES 2018D; AND PROVIDING OTHER MATTERS RELATED THERETO.**

PUBLIC NOTICE IS HEREBY GIVEN, and that such Ordinance was introduced on July 18, 2018, and was passed and adopted at the meeting held on August 1, 2018, 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 \_\_\_\_\_, 2018, i.e., the day of the publication of such Ordinance by its title only.

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

DATED this \_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_/s/ John J. Lee\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_/s/ Catherine A. Raynor, MMC\_\_\_\_\_  
City Clerk

(End of Form of Publication)

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF NORTH LAS VEGAS this 1<sup>st</sup> day of August, 2018 by the following vote:

AYES: Mayor Lee, Mayor Pro Tempore Goynes-Brown, Council Members Barron, Cherchio and Black

NAYS: None

ABSTAIN: None

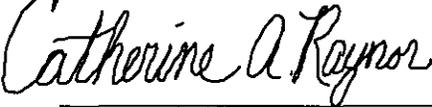
ABSENT: None

APPROVED:



\_\_\_\_\_  
John J. Lee, Mayor

ATTEST:



\_\_\_\_\_  
Catherine A. Raynor, MMC, City Clerk

STATE OF NEVADA                    )  
  ) ss.  
CITY OF NORTH LAS VEGAS        )

I am the qualified and elected Clerk of the City of North Las Vegas (the "City"), and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages are a true, correct and compared copy of an ordinance adopted by City Council (the "Council") of the City at meetings held on July 18, 2018, and August 1, 2018. The original of the ordinance has been approved and authenticated by the signatures of the Mayor of the Council and myself as City Clerk, and has been recorded in the records of the Council kept for that purpose in my office.

2. Said proceedings were duly had and taken as therein shown. The Council set forth in the ordinance were present at said meetings and voted on the ordinance.

3. All members of the Council were given due and proper notice of such meetings.

4. Public notice of such meetings was given and such meetings were held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notices of meeting and excerpts from the agenda for the meeting relating to the ordinance, as posted no later than 9:00 a.m. on the third working day prior to the meeting on the City's website, on the State of Nevada's official website, and at City Hall, 2250 Las Vegas Boulevard North and the bulletin boards at the North Las Vegas Public Library, 2250 Las Vegas Boulevard North, Suites 133 and 137; Aliante Library, 2400 W. Deer Springs Way; Alexander Library, 1755 W. Alexander Road are attached hereto as Exhibit A and Exhibit B.

5. 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 compliance with NRS 241 by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

6. A copy of an affidavit evidencing publication of notice of filing of the ordinance is attached hereto as Exhibit C and an affidavit evidencing publication of notice of adoption of the ordinance is attached hereto as Exhibit D.

IN WITNESS WHEREOF, I have hereunto set my hand this August 1, 2018.



\_\_\_\_\_  
Catherine A. Raynor, MMC, City Clerk

Exhibit A

(Attach Copy of Notice of Meeting of July 18, 2018)

**EXHIBIT B**

(Attach Copy of Notice of Meeting of August 1, 2018)

EXHIBIT C

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

EXHIBIT D

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