

**Carson City
Agenda Report**

Date Submitted: 06/23/2015

Agenda Date Requested 07/2/2015

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Action to introduce, on first reading, Bill No. _____, an Ordinance of its "Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally secured by Pledged Revenues), Series 2015C," for the purpose of refunding certain outstanding bonds of the City; ratifying action previously taken toward issuing the proposed bonds and effecting the purpose of their issuance; providing other matters relating thereto. (Nick Providenti – Nprovidenti@carson.org)

Staff Summary: This ordinance will authorize the issuance of the Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015C for the purpose of refunding certain of their previously issued general obligation bonds, and the City hereby determines that it is necessary and in the best interest of the City and its citizens to refund these bonds for the purpose of effecting interest rate savings.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (xx) No

Recommended Board Action: I move to introduce, on first reading, Bill No. _____, an Ordinance of its "Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally secured by Pledged Revenues), Series 2015C," for the purpose of refunding certain outstanding bonds of the City; ratifying action previously taken toward issuing the proposed bonds and effecting the purpose of their issuance; providing other matters relating thereto.

Explanation for Recommended Board Action: Pursuant to the provisions of NRS 350.500 through 350.720, and all laws amendatory thereof, cited in NRS 350.500 by the short title "Local Government Securities Law" (the "Bond Act") the City is authorized to refund certain of the 2005A Capital Improvement Bonds for the purpose of effecting interest rate savings.

Applicable Statute, Code, Policy, Rule or Regulation: NRS Chapters 244, 348, 350, 360, Carson City Charter.

Fiscal Impact: See attached debt amortization schedules.

Explanation of Impact: Varying ongoing debt service payments per attached schedules.

Funding Source: General Fund

Alternatives: Not to issue bonds.

Supporting Material: Ordinance and debt amortization schedule.

Prepared By: Nick Providenti

Reviewed By:

Urbel Akhlt
(Department Head)

Date: 6/23/15

: *Wick Warrand*
(City Manager)

Date: 6/23/15

: *Joseph L. Ward Jr.*
(District Attorney)

Date: 6/23/15

: *Urbel Akhlt*
(Finance Director)

Date: 6/23/15

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

Summary - an ordinance authorizing the issuance of the Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015C.

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF ITS “CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2015C,” FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO.

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

WHEREAS, the Board of Supervisors of the City (the “Board”) has determined and does hereby declare pursuant to NRS 360.600 to 360.740, inclusive, Section 7.030 of its Charter and NRS 244A.011 to 244A.065, inclusive (collectively the “Project Act”), the City is authorized and empowered to pledge certain proceeds of revenues pursuant to NRS 360.698, to issue bonds; and

WHEREAS, the City has previously issued its “Carson City, Nevada General Obligation (Limited Tax) Capital Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2005A” (the “2005 Bonds”), its “Carson City, Nevada General Obligation (Limited Tax) Various Purpose Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2010” (the “2010 Bonds”) and its “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2013A” (the “2013 Bonds”), which are secured by the revenues derived from 15% of the proceeds of liquor taxes, tobacco taxes, real property transfer taxes, governmental services taxes

and basic and supplemental sales taxes distributed to the City and pledged by this Ordinance (the “Pledged Revenues”)

WHEREAS, other than the 2005 Bonds, 2010 Bonds and 2013 Bonds (the “Parity Lien Bonds”), there are no bonds that remain unpaid and outstanding issued by the City which are secured by the Pledged Revenues on a parity basis with the Parity Lien Bonds and the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues) Series 2015C” (the “Bonds”) authorized by this Ordinance; and

WHEREAS, pursuant to the provisions of NRS 350.500 through 350.720, and all laws amendatory thereof, cited in NRS 350.500 by the short title “Local Government Securities Law” (the “Bond Act”) the City is authorized to refund certain of the 2005 Bonds (the “Refunded Bonds”) designated in the Escrow Agreement (as defined below) for the purpose of effecting interest rate savings (the “Refunding Project” or “Project”); and

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

WHEREAS, after negotiating the purchase of the Bonds, the Director of Finance of the City, as chief financial officer of the City (the “Finance Director”) or, in his absence, the City Manager of the City (the “City Manager”) is hereby authorized to sell the Bonds in the aggregate principal amount not to exceed the amount necessary to effect the Project to Piper Jaffray & Co. and/or Morgan Stanley (the “Underwriters”); and to accept the bond purchase agreement for the Bonds submitted by the Underwriters (the “Bond Purchase Agreement”);

WHEREAS, the Bonds are to bear interest at the rates per annum provided in the Bond Purchase Agreement, and are to be sold at a price equal to the principal amount thereof, plus a premium or less a discount not to exceed 9 percent of the principal amount of the Bonds, which price does not result in an effective interest rate on the Bonds in excess of 3 percent over the Index of Twenty Bonds most recently published in The Bond Buyer before a negotiated offer is accepted, all as specified in the Bond Purchase Agreement; and

WHEREAS, pursuant to NRS 350.155, a certificate of the City Manager, as chief administrative officer of the City and a report of the City’s financial advisor have been submitted to the Board and are hereby approved; and

WHEREAS, the City hereby elects to have the provisions of NRS Chapter 348 (the “Supplemental Bond Act”) apply to the Bonds.

WHEREAS, the Board has found and determined and hereby declares:

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

B. The notice of the request for proposals is hereby approved, and the procedure for selecting the Underwriters’ proposals was conducted in an open and fair manner;

C. Each of the limitations and other conditions to the issuance of the Bonds in the Charter, the Project Act, the Bond Act, the Supplemental Bond Act, and in any other relevant act of the State or the Federal Government, has been met; and pursuant to NRS 350.708, this determination of the Board that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion; and

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

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

ARTICLE I.

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

Section 101. Short Title. This ordinance shall be known as and may be designated by the short title “2015C Capital Improvement Refunding Bond Ordinance” (this “Ordinance”).

Section 102. Meanings and Construction.

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

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

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

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

“**Bond Fund**” or “**2015 Bond Fund**” means the special account designated as the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, Pledged Revenues, Interest and Principal Retirement Fund,” created herein, and required to be accumulated and maintained in Section 604 hereof which shall be held separate and apart from the Income Fund.

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

“Bonds” means the securities issued hereunder and designated as the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015C.”

“2005 Bonds” means the securities designated as the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Bonds (Additionally Secured by Pledged Revenues), Series 2005A.”

“2010 Bonds” means the securities designated as the “Carson City, Nevada, General Obligation (Limited Tax) Various Purpose Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2010.”

“2013 Bonds” means the securities designated as the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2013A.”

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

“Budget Act” means NRS 354.470 to 354.626, inclusive, and all laws amendatory thereof.

“City” means Carson City in the State, and constituting a political subdivision thereof, or any successor municipal corporation.

“City Treasurer” or **“Treasurer”** means the de jure or de facto treasurer of the City and designated as such by the City, or his or her successor in functions, if any.

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

“combined maximum annual principal and interest requirements” means the greatest of the annual principal and interest requirements to be paid

during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. If any Outstanding bonds are subject to variable interest rates, for the purpose of such computation, such interest rates shall be determined by an Independent Accountant, an independent feasibility consultant or the Finance Director. Any such computation shall be adjusted as provided in Section 803C hereof, and shall be made by an Independent Accountant, an independent feasibility consultant or the Finance Director if expressly so required.

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

“Consolidated Tax Act” means NRS 360.600 to 360.740, inclusive, as amended from time to time.

“Escrow Account” means the special account designated as the “Carson City, Nevada, General Obligation (Limited Tax) Refunding Bonds, Series 2015C, Escrow Account” created herein.

“Escrow Agreement” means the agreement between the City and the Escrow Bank regarding the Refunded Bonds.

“Escrow Bank” means Zions First National Bank or any successor thereto.

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

“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.

“Finance Director” means the de jure or de facto chief financial officer of the City and designated as such by the City, or his or her successor in functions, if any.

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

“General Tax Interest Account” means the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, General Tax Interest Account,” created in Section 501 hereof.

“General Tax Principal Account” means the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, General Tax Principal Account,” created in Section 501 hereof.

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

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

“Income Fund” means the special account designated as the “Carson City, Nevada, SCCRT Pledged Revenues Income Fund” heretofore created and continued herein.

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

- (a) Who or which is, in fact, independent and not under the domination of the City;
- (b) Who or which does not have any substantial interest, direct or indirect, with the City, and
- (c) Who or which is not connected with the City as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the City.

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

“NRS” means Nevada Revised Statutes.

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

“Outstanding” when used with reference to the Bonds or any other designated securities and as of any particular date means all the Bonds or any such other securities payable from the Pledged Revenues or otherwise relating to the Project, as the case may be, in any manner theretofore and thereupon being executed and delivered:

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

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

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

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

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

“parity bonds” or **“securities”** means the Parity Lien Bonds and any other bonds or securities which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds herein authorized.

“Parity Lien Bonds” means the Outstanding 2005 Bonds, 2010 Bonds and the 2013 Bonds.

“Paying Agent” means Zions First National Bank, any successor thereof, or any successor paying agent for the Bonds which may be appointed by the City Treasurer.

“Person” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the City), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

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

The Pledged Revenues means all or a portion of the Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. “Pledged Revenues” includes income derived from any additional revenues distributed to the City, if the Board is authorized to include and elects to include the additional revenues in “Pledged Revenues” for the remaining term of the Bonds.

“Project” means the cost of refunding the Refunded Bonds.

“Project Act” means the Consolidated Tax Act, Section 7.030 of the City’s Charter and NRS 244A.011 to 244A.065 inclusive, as amended from time to time.

“Rebate Account” means the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, Rebate Account” created herein.

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

“Redemption Price” means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof plus 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 Zions First National Bank, any successor thereof, or any successor registrar for the Bonds which may be appointed by the Board of Supervisors.

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

“Special Record Date” means a special date fixed by the Paying Agent to determine the names and addresses of owners of the Bonds for the payment of any defaulted interest on any of the Bonds, as further provided in Section 302 hereof. At least 10 days’ notice will be given by the Paying Agent by first-class regular mail to each owner of a Bond as stated on the Registrar’s registration list at the close of business on a date fixed by the Paying Agent, stating the date of the Special Record Date and the due date fixed for the payment of such defaulted interest.

“State” means the State of Nevada, in the United States.

“subordinate bonds” or **“subordinate securities”** means bonds or securities which have a lien on the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds herein authorized.

“superior bonds” or **“superior securities”** means bonds or securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds herein authorized.

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

“Taxes” means General Taxes.

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

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

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

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

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

(4) Any securities payable from any Pledged Revenues and held by the City shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for other purposes provided herein.

Section 103. Successors. Whenever herein the City is named or is referred to, such provision shall be deemed to include any successors of the City, respectively, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the City contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the City or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 104. Parties Interested Herein. Except as herein otherwise expressly provided, nothing herein expressed or implied confers upon or gives to any Person (other than the Paying Agent, the insurer of the Bonds, if any, the owners from time to time of the Bonds, and the owners of any other securities payable from Pledged Revenues when reference is expressly made thereto, as well as the City) any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent, any owner of any Bonds and any owner of any such other security in the event of such a reference.

Section 105. Ratification. All action heretofore or hereafter taken (not inconsistent with the provisions of this Ordinance) by the City, the officers of the City, and otherwise by the City directed toward the Project and toward the sale of the Bonds to the Underwriters for that purpose, hereby is ratified, approved and confirmed.

Section 106. Ordinance Irrepealable. After any of the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the owner or owners of

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

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

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

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

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

BILL NO. _____
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF ITS "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2015C," FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance are available for public inspection and distribution at the office of the City Clerk, 201 North Carson Street, Suite No. 1, Carson City, Nevada and that such Ordinance was proposed on July 2, 2015, and will be considered for adoption at the regular meeting of the Board of Supervisors of Carson City held on July 16, 2015.

/s/ Sue Merriwether
City Clerk

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

Section 110. Publication After Adoption of Ordinance; Effective Date.

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

(Form of Publication of Adoption of Ordinance)

BILL NO. _____
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF ITS "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2015C," FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN that the above entitled Ordinance was proposed by Supervisor _____ at the regular meeting of the Carson City Board of Supervisors held on July 2, 2015, and was passed and adopted at the regular meeting of the Carson City Board of Supervisors held on July 16, 2015 by the following vote of the Board of Supervisors:

Those Voting Aye:

Those Voting Nay: _____

Those Absent and Not Voting: _____

Those Abstaining: _____

This Ordinance shall be in full force and effect from and after July __, 2015, i.e., the date of publication of this Ordinance by its title only.

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

DATED this July 16, 2015.

/s/ Robert L. Crowell
Mayor

Attest:

/s/ Sue Merriwether
City Clerk

(End of Form of Publication)

ARTICLE II.

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

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

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

A. **Estimated Life.** The estimated life or estimated period of usefulness of the project to be refinanced with the proceeds of the Bonds is not less than 20 years; and

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

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

Section 204. Acceptance of Bond Purchase Agreement; Authorization of Use of Preliminary and Final Official Statements. In accordance with the County Project Act, the Bond Act and with this Ordinance, the Finance Director, or in his absence the City Manager, is authorized to proceed with the sale of the Bonds to the Underwriters on the terms and conditions provided herein, and to execute the Bond Purchase Agreement in substantially the form now on file with the City. The preparation, distribution, use of and execution of the Preliminary Official Statement is hereby authorized; distribution, use of and execution of the Final Official Statement for the Bonds in substantially the form of the Preliminary Official Statement, with such amendments, additions and deletions as are consistent with the facts and not inconsistent herewith as may be approved by the Finance Director by his execution of the

Final Official Statement, is hereby authorized. The Finance Director or his designee is authorized to deem the official statement or preliminary official statement to be a “final” official statement on behalf of the City for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

Section 205. Authorization of Project and Escrow Agreement. The City does hereby determine to proceed with the Project; the Project is hereby so authorized; and the Finance Director is hereby authorized to execute and deliver on behalf of the City the Escrow Agreement between the City and the Escrow Bank in substantially the form now on file with the City, with such changes as designated by the Finance Director which are consistent with the provisions of this Ordinance.

Section 206. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 207. General Obligations. The full faith and credit of the City are hereby pledged to the payment of the Bond Requirements of the Bonds; they shall constitute general obligations of the City and shall be payable from General Taxes on all taxable property within the City (except to the extent any Pledged Revenues or other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State.

Section 208. Additional Security. The payment of the Bond Requirements of the Bonds is additionally secured by an irrevocable pledge of and by a lien (but not necessarily an exclusive lien) on the Pledged Revenues, subject to and after any superior liens upon such Pledged Revenues of any superior bonds or superior securities.

Section 209. No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except the proceeds of General Taxes, the Pledged Revenues, and any other moneys pledged for the payment of the Bonds. No property of the City, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Bonds.

Section 210. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other instrument relating thereto, against any individual member of the City or any officer or other agent of the City, past, present or future, either directly or indirectly through the City or otherwise, whether by virtue of any

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

ARTICLE III.

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Authorization of Bonds. The “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015C,” in the original aggregate principal amount designated in the Bond Purchase Agreement (not to exceed the amount necessary to effect the Project), are hereby authorized to be issued, pursuant to the Project Act and the Bond Act; and the City pledges irrevocably, but not necessarily exclusively, the Pledged Revenues to the payment of the Bond Requirements of the Bonds, the proceeds of the Bonds to be used solely to defray wholly or in part the cost of the Project.

Section 302. Bond Details. The Bonds 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 Bonds shall be dated initially as of the date of delivery thereof to the Underwriters, and except as otherwise provided in Section 307 hereof, shall be issued in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual Bond will be issued with more than one maturity). The Bonds shall be numbered from 1 upward. The Bonds shall bear interest (calculated on the basis of a 360 day year consisting of twelve 30 day months) from their date until their respective maturity dates (or, if redeemed prior to maturity as provided below, their redemption dates) at the respective rates set forth in the Bond Purchase Agreement, and payable semiannually on May 1 and November 1 of each year commencing on May 1, 2016; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates set forth in the Bond Purchase Agreement 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 Bonds. The Bonds shall mature on the designated dates in the amounts of principal, as designated in the Bond Purchase Agreement. The principal of any Bond shall be payable to the owner thereof as shown on the registration records kept by the Registrar, upon maturity and upon presentation and surrender at the office designated by the Paying Agent. If any Bond shall not be paid upon such presentation

and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full.

Except as otherwise provided in Section 307 hereof, payment of interest on any Bond shall be made to the owner thereof by check or draft mailed by the Paying Agent, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the 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 his or her 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 and the date for payment of defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date and the date for payment of defaulted interest shall be given to the owners of the Bonds not less than ten days prior thereto by 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. 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. All such payments of principal and interest shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

Section 303. Prior Redemption.

A. Optional Redemption. Except as otherwise provided in the Bond Purchase Agreement, the Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after the date designated in the Bond Purchase Agreement, may be subject to redemption prior to their respective maturities, at the option of the City, on and after the date designated in the Bond Purchase Agreement, in whole or in part at any time from any maturities selected by the City and by lot within a maturity (giving proportionate weight to Bonds in denominations

larger than \$5,000), at a price equal to the principal amount of each Bond, or portion thereof, so redeemed, and the accrued interest thereon to the Redemption Date plus a premium, in the amount designated, and if so provided, in the Bond Purchase Agreement.

B. Mandatory Redemption. The Bonds maturing on the dates specified in the Bond Purchase Agreement, if any (the "Term Bonds"), are subject to mandatory sinking fund redemption at a Redemption Price equal to 100% of the principal amount thereof and accrued interest to the Redemption Date. As and for a sinking fund for the redemption of Term Bonds, there shall be deposited into the Bond Fund hereinafter created on or before the dates set forth in the Bond Purchase Agreement, a sum which, together with other moneys available therein, is sufficient to redeem on the years and the principal amounts of Term Bonds as set forth in the Bond Purchase Agreement.

Term Bonds being redeemed in part will be selected by lot in such manner as the Registrar may determine. Not more than 60 days nor less than 30 days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (in the manner described above) from all Outstanding Term Bonds, a principal amount of Term Bonds equal to the aggregate principal amount of Term Bonds redeemable with the required sinking fund payments.

At the option of the City to be exercised by delivery of a written certificate to the Registrar not less than sixty days next preceding any sinking fund redemption date, it may (1) deliver to the Registrar for cancellation Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the City or, (2) specify a principal amount of Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the City determines. In the event the City shall avail itself of the provisions of clause (1) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the respective Term Bonds or portions thereof to be canceled, or in the event the Bonds are

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

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

Section 304. Redemption Notice. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, electronically as long as the nominee of The Depository Trust Company or a successor depository is the registered owner of the Bonds, and otherwise by first class mail, at least 30 days but not more than 60 days prior to the Redemption Date, to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System (the “MSRB”) and to the registered owner of any Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his or her address as it last appears on the registration records kept by the Registrar. Actual receipt of such notice by the MSRB or any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the MSRB or the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate by the Registrar that notice of call and redemption has been given as provided in this Section shall be conclusive as against all parties; and no owner whose Bond is called for redemption or any other owner of any Bond may

object thereto or may object to the cessation of interest on the Redemption Date on the ground that he failed actually to receive such notice of redemption.

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

(1) The Redemption Date,
(2) The Redemption Prices,
(3) If less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption (or installments of principal to be prepaid), and that interest thereon shall cease to accrue from and after said date, and

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent (accrued interest to the Redemption 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 the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed 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 Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds 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 redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

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

Section 305. Negotiability. The Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each owner shall possess all rights enjoyed by owners of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 306. Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 307 hereof, the 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. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations, as provided in Section 302 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the owner thereof, the 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 or mandatory prior redemption of a Bond.

B. The Registrar shall not be required to transfer or exchange (1) any Bond subject to redemption during a period beginning at the opening of business fifteen (15) days before the day the Registrar gives notice of prior redemption of the Bonds and ending at the

close of business on the day such notice is given, or (ii) any Bond after notice is given calling such Bond or any portion thereof for redemption as herein provided.

C. The person in whose name any Bond shall be registered, on the registration records 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 302 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 the Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or the Registrar to the City Treasurer, upon request.

Section 307. Custodial Deposit.

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

(1) To any successor of The Depository Trust Company or its nominee which successor of The Depository Trust Company must be both a “clearing corporation” as defined in NRS 104.8102, and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended;

(2) Upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this Section 307(A) or a determination of the City that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions and the designation by the City of another depository institution, acceptable to the City and to the depository then holding the Bonds which new depository institution must be both a “clearing corporation” as defined in NRS 104.8102 and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) Upon the resignation of The Depository Trust Company or a successor depository or new depository under clause (1) or (2) of this Section 307(A) or a determination by the City that The Depository Trust Company, or such successor or new depository is no longer able to carry out its functions and the failure by the City, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out the functions of The Depository Trust Company or such successor or new depository.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of Section 307(A) hereof or in the case of designation of a new depository pursuant to clause (2) of Section 307(A) hereof upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each then Outstanding maturity of each series of the Bonds shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of Section 307(A) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of Section 307(A) hereof, and upon receipt of the Outstanding Bond by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the

limitations of this Section 307, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The City and the Registrar and Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the City, the Registrar and the Paying Agent shall have no responsibility for transmitting payments or notices to the beneficial owners of the Bond held by The Depository Trust Company or any successor or new depository named pursuant to Section 307(A) hereof.

D. The City, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of Section 307(A) hereof in effectuating payment of the Bond Requirements of the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

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

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

A. Filings with Secretary of State. Pursuant to the Bond Act, and to the act cited as the Uniform Facsimile Signatures of Public Officials Act, cited as NRS Chapter 351, and prior to the execution of any Bonds by facsimile signature, the Mayor of the Board of Supervisors of the City, the City Clerk and the City Treasurer shall each file with the Secretary of State of the State of Nevada his or her manual signature certified by him or her under oath.

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

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

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

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

Section 311. State Tax Exemption. Pursuant to NRS 350.710, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to NRS

Chapter 375A and the tax on generation-skipping transfers imposed pursuant to NRS Chapter 375B.

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

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

Section 314. Bond Form. Subject to the provisions of this Ordinance, each Bond shall be in substantially the following form with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, including without limitation Section 307 hereof, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**CARSON CITY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015C**

No. _____ \$ _____

Interest Rate Maturity Date Dated As of CUSIP
____ % per annum _____, 20____ _____, 2015 _____

REGISTERED OWNER: **Cede & Co.**

PRINCIPAL AMOUNT: _____ DOLLARS

Carson City (the "City"), in the State of Nevada (the "State"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless called for earlier redemption), and to pay interest thereon on May 1 and November 1 of each year, commencing on May 1, 2016, at the interest rate per annum specified above, until the principal sum is paid or payment has been provided for or, if such payment date is not a business day, on or before the next succeeding business day. This Bond shall bear interest (calculated on the basis of a 360 day year consisting of twelve 30 day months) 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 initial delivery of the series of bonds of which this Bond is one (the "Bond"). The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of the City's paying agent for the Bonds (as hereinafter defined) or any successor (the "Paying Agent"), presently Zions First National Bank, who is also now acting as the City's registrar for the Bonds (the "Registrar"). Interest on this Bond will be paid on or before each interest payment date (or, if such date is not a business day, on or before the next succeeding business day) by check or draft mailed to the person in whose name this Bond is registered (the "registered owner") in the registration records of the City maintained by the Registrar, at the address appearing thereon, as of the close of business on the fifteenth day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid for shall cease to be payable to the person who is the registered owner as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner as of the close of business on a special record date for the payment of any defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owner not less than ten (10)

days prior thereto. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and the Paying Agent, as provided in the Ordinance of the Board of Supervisors of the City (the "Board") authorizing the issuance of the Bonds and designated in Section 101 thereof as the "2015C Capital Improvement Refunding Bond Ordinance" (the "Ordinance"), duly adopted by the Board on July 16, 2015. 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 the Registrar. If this Bond is not paid upon presentation at its maturity, interest at the rate specified above shall continue to be borne hereby until the principal hereof is discharged as provided in the Ordinance.

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

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

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

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

Certain of the Bonds shall be subject to optional or mandatory sinking fund redemption as provided in the Ordinance and the Bond Purchase Agreement.

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

*This Bond is fully transferable by the registered owner in person or by his or her duly authorized attorney on the registration records kept by the Registrar upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar.

Upon such transfer a new fully registered Bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this Bond, on payment of the charges and subject to the terms and conditions as set forth in the Ordinance. The City, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Ordinance with respect to Regular and Special Record Dates for the payment of interest.*

No transfer of this Bond shall be valid unless made on the registration records maintained at the principal office of the Registrar by the registered owner or his or her attorney duly authorized in writing.

The Bonds are issued by the City and upon the credit thereof, for the purpose of defraying wholly or in part, the cost of refinancing certain outstanding bonds issued for the purpose of acquiring, constructing, improving, and equipping capital improvement projects for the City, under the authority of and in full conformity with the Constitution and laws of the State and the City and pursuant to the Ordinance.

The Bonds, or portions thereof, are subject to redemption prior to their maturity date as provided in the Ordinance and the Bond Purchase Agreement. Redemption shall be made upon not less than 30 days' prior notice in the manner and upon the conditions provided in the Ordinance. If this Bond is called for redemption and payment is duly provided for as specified in the Ordinance, interest shall cease to accrue hereon from and after the date fixed for redemption.

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

The payment of the Bonds, as to all Bond Requirements, is additionally secured by an irrevocable pledge of revenues derived by the City from the Pledged Revenues (as defined in the Ordinance).

Payment of the Bond Requirements due in connection with the Bonds may be made from and as security for such payment there is irrevocably and exclusively pledged, pursuant to the Ordinance, a special account thereby created and identified as the "Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, Pledged Revenues, Interest and Principal Retirement Fund," into which account the City covenants to pay from the revenues derived from the Pledged Revenues sums sufficient to pay when due the Bond Requirements of the Bonds, except to the extent other moneys are available therefor.

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and the Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, subject to and after any superior liens upon such Pledged Revenues of any superior bonds or superior securities and on a parity with the outstanding Parity Lien Bonds (as defined in the Ordinance). Bonds and other securities, in addition to the Bonds, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon superior to or on a parity with the lien of the Bonds, in accordance with the provisions of the Ordinance.

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

Reference is made to the Ordinance, the City Charter, NRS 360.600 to 360.740, inclusive, and NRS 244A.011 to 244A.065, inclusive, as amended from time to time, and as implemented by the City pursuant to the City Charter, as amended from time to time, and to an act cited as NRS 350.500 through 350.720, and all laws amendatory thereof, designated in NRS 350.500 as the Local Government Securities Law, to NRS Chapter 348 (the "Supplemental Bond Act"), and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the General Taxes, accounts, funds and revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights and remedies of the owners of the Bonds.

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

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

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, particularly under the terms and provisions of the Project Act, the Local Government Securities

Law, the Supplemental Bond Act, and all laws supplemental thereto, and with the Ordinance; and that this Bond does not contravene any constitutional or statutory limitation.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise upon the Ordinance or other instrument relating thereto, against any individual member of the Board of Supervisors of the City, any individual member of the City, or any officer or other agent of the City, past, present or future, either directly or indirectly through such board or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

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

IN WITNESS WHEREOF, the City has caused this Bond to be signed and executed in its name and upon its behalf with the manual or facsimile signature of the Mayor, to be countersigned and executed with the manual or facsimile signature of the City Treasurer and has caused a manual impression or a facsimile of the seal of the City to be affixed hereon; and has caused this Bond to be signed, executed and attested with the manual or facsimile signature of the City Clerk, all as of _____, 2015.

CARSON CITY, NEVADA

(Manual or Facsimile Signature)
Mayor

Countersigned:

(Manual or Facsimile Seal)

(Manual or Facsimile Signature)
City Treasurer

Attest:

(Manual or Facsimile Signature)
City Clerk

- * Insert only if issued as serial bonds pursuant to Section 307(A) hereof.
- ** Insert only if issued as book entry bonds pursuant to Section 307(A) hereof.
- *** Insert only if any of the Bonds are subject to mandatory redemption.

(Form of Prepayment Panel)

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

<u>Date of Prepayment</u>	<u>Principal</u>	<u>Signature of Authorized Representative of DTC</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(End of Form of Prepayment Panel)

(Form of Assignment for Bonds)

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

Dated: _____

Signature Guaranteed:

Name of Transferee:

Address of Transferee:

Social Security or other tax
identification number of
Transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

NOTICE: TRANSFER FEES MUST BE PAID TO THE REGISTRAR IN ORDER TO TRANSFER OR EXCHANGE THIS BOND AS PROVIDED IN THE WITHIN-MENTIONED ORDINANCE.

(End of Form of Assignment for Bonds)

ARTICLE IV.

USE OF BOND PROCEEDS AND RESERVE FUNDS

Section 401. Disposition of Bond Proceeds. The proceeds of the Bonds upon the receipt thereof at any time or from time to time, shall be accounted for in the following manner and priority and are hereby pledged therefor:

A. **Escrow Account.** First, Bond proceeds, or other available monies, in an amount sufficient to effect the refunding of the Refunded Bonds shall be deposited in the “Carson City, Nevada, General Obligation (Limited Tax) Refunding Bonds, Series 2015C, Escrow Account” to be held by the Escrow Bank an amount fully sufficient to establish, together with any other moneys therein (including any monies deposited therein from the debt service fund for the Refunded Bonds), any initial cash balance remaining uninvested and to buy the Federal Securities designated in the Escrow Agreement for credit to the Escrow Account, to be used solely for the purpose of paying the Bond Requirements of the Refunded Bonds as provided in the Escrow Agreement.

B. **Cost of Issuance Account.** Second, the balance remaining after the deposit into the Escrow Account as provided above shall be set aside in a special account designated as the “Carson City, Nevada General Obligation (Limited Tax) Refunding Bonds, Series 2015C, Cost of Issuance Account” (the “Cost of Issuance Account”), to be used to pay the incidental costs of the Project. After all incidental expenses have been paid, any unexpended balance of Bond proceeds (or, unless otherwise required by law, any other moneys) remaining in the Cost of Issuance Account shall be deposited into the Bond Fund for the respective payment of the principal of or interest on the Bonds as the same become due.

Section 402. Maintenance of Escrow Account.

A. The Escrow Account shall be maintained by the City in an amount at the time of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities, to pay the interest due in connection with the Refunded Bonds, both accrued and not accrued, as the same become due up to and including the redemption dates for the Refunded Bonds; and to redeem, on such date (as set forth in the Escrow Agreement), the Refunded Bonds then

outstanding, in accordance with the resolution of the Board authorizing the issuance of the Refunded Bonds.

B. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of interest due in connection with the Refunded Bonds, and in accordance with the provisions of the Escrow Agreement, shall cause the notices of defeasance and calls for prior redemption of the then outstanding Refunded Bonds to be effected. Any moneys remaining in the Escrow Account after provision shall have been made for the redemption in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the Board may hereafter determine.

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

Section 403. Redemption of Refunded Bonds. The City hereby irrevocably elects to call for prior redemption the Refunded Bonds on the Redemption Date, at the price and premium, if any, all as set forth in the Escrow Agreement. The Registrar for the Refunded Bonds is authorized to give notices of prior redemption and defeasance of the Refunded Bonds in accordance with the terms of the Escrow Agreement, this Ordinance and the ordinance authorizing the issuance of the Refunded Bonds.

Section 404. Prevention of Bond Default. The City shall use any Bond proceeds credited to the Cost of Issuance Account without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys in the Bond Fund or otherwise available therefor are insufficient for that purpose, unless the Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The Finance Director shall promptly notify the Board of any such use. Any moneys so used shall be restored to the Cost of Issuance Account, from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 603 through 607 hereof.

Section 405. Completion of Project. When any amounts in the Cost of Issuance Account are no longer needed to pay the cost of the Project, the Finance Director shall

cause to be transferred to the Bond Fund all surplus moneys remaining in the Cost of Issuance Account, if any, except for any moneys designated by the Finance Director to be retained to pay any unpaid accrued costs or contingent obligations and the sums so transferred shall be applied to the payment of the principal and interest due on the Bonds.

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

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

ARTICLE V.

GENERAL TAXES

Section 501. General Tax Levies. Pursuant to NRS 350.596, the Bond Requirements of the Bonds falling due at any time when there are not on hand from General Tax levies sufficient funds to pay the same, shall be paid out of the general fund of the City or out of any other funds that may be available for such purpose. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available for the payment of such Bond Requirements on other than a temporary basis) and for the purpose of the payment thereafter of the Bonds and the interest thereon, there are hereby created the separate and special accounts known respectively as the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, General Tax Principal Account” (the “General Tax Principal Account”) and as the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, General Tax Interest Account” (the “General Tax Interest Account”). Pursuant to NRS 350.592 and 350.594, there shall be levied in the calendar year 2015 (if necessary to implement this Ordinance), and annually thereafter, until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the City fully sufficient to reimburse such funds for such installments of Bond Requirements, together with the revenue which will result from application of the rate to the net proceeds of minerals, to pay the interest on the Bonds, and to pay and retire the same as hereinabove provided, and after there are made due allowances for probable delinquencies. The proceeds of the annual levies shall be duly credited to such separate accounts for the payment of the Bond Requirements, including any mandatory sinking fund payments pursuant to Section 303B hereof, if any. In the preparation of the annual budget or appropriation resolution or ordinance for the City, the City shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the City, including, without limitation, the Bonds, subject to the limitations imposed by NRS 361.453 and Section 2, Article. 10, Nevada Constitution, and the amount of money necessary for this purpose shall be a first charge against all such revenues received by the City.

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

Section 503. Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other General Taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept by the City Treasurer in the General Tax Principal Account and in the General Tax Interest Account, which shall be used for no other purpose than the payment of principal of and interest on the Bonds, and any other parity securities hereinafter issued in accordance with Section 910 hereof, respectively, as the same fall due.

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

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

Section 506. Legislative Duties. In accordance with NRS 350.592 and 361.463, it shall be the duty of the City annually, at the time and in the manner provided by law

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

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

ARTICLE VI.

ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 601. Pledge Securing Bonds. Subject only to the right of the City to cause amounts to be withdrawn to pay the cost of the Project as provided herein, the Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any account under this article or under Section 401 hereof, excluding, however, all amounts held in the Escrow Account and the Rebate Account, are hereby pledged to secure the payment of the Bond Requirements of the Bonds; and this pledge shall be valid and binding from and after the date of the first delivery of any Bonds, and the moneys, as received by the City and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the City and, except for the Parity Lien Bonds and any Outstanding securities hereafter authorized the liens of which on the Pledged Revenues are superior to or on a parity with the lien thereon of the Bonds; 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.

Section 602. Income Fund Deposits. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the entire Pledged Revenues, upon their receipt from time to time by the City, shall be set aside and credited immediately to a special fund heretofore created and continued herein as the “Carson City, Nevada, SCCRT Pledged Revenues Income Fund” (the “Income Fund”). Such Income Fund shall be maintained by the City Treasurer separate and apart from all other City funds, including the Bond Fund.

Section 603. Administration of Income Fund. So long as any of the Bonds hereby authorized shall be Outstanding, as to any Bond Requirements, each Fiscal Year the Income Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in Sections 604 through 607 hereof.

Section 604. Superior Bond Fund and 2015 Bond Fund Payments.

A. First, from any moneys in the Income Fund, i.e., from the Pledged Revenues, there shall be credited to any bond fund created to pay the principal of, interest on and

prior redemption premiums, if any, due on any superior bonds or superior securities issued in accordance with the provisions of this Ordinance:

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

(2) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the superior bonds or superior securities coming due, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the superior bonds or superior securities coming due, or, if any, an amount sufficient to pay the principal of, interest on and any prior redemption premiums due on the Outstanding superior bonds or superior securities.

B. Second, subject to the provisions of Section 606 hereof, the following transfers shall be credited to a separate and special account hereby created and to be known as the "Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, Pledged Revenues, Interest and Principal Retirement Fund" (the "Bond Fund") concurrently with the payments required to be made to the bond funds of parity securities by the ordinances authorizing the issuance of the Parity Lien Bonds and any bond ordinances hereafter adopted authorizing the issuance of parity securities:

(1) Monthly, commencing on the first of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from

time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

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

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due, including any mandatory sinking fund payments pursuant to Section 303B hereof, if any.

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

Section 606. Payment of Additional Securities. Third, and subject to the provisions hereinabove in this Article, but either prior to, concurrently with or subsequent to the payments required by Section 604 hereof, as provided in Article VIII hereof, any moneys remaining in the Income Fund may be used by the City for the payment of Bond Requirements of additional bonds or other additional securities payable from the Pledged Revenues and hereafter authorized to be issued in accordance with Article VIII and any other provisions herein supplemental thereto, including reasonable reserves for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities shall be superior to, on a parity with or subordinate to the lien and pledge of the Bonds as herein provided. Payments for bond and reserve funds for any superior securities shall be made concurrently with the payments for superior securities required by Section 604 hereof. Payments for bond and reserve funds for any

additional parity securities shall be made concurrently with the payments for the Bonds required by Section 604 hereof, but payments for bond and reserve funds for additional subordinate securities shall be made after the payments required by Sections 604 and 607 hereof.

Section 607. Payment of Rebate. Fourth, subject to the provisions hereinabove in this Article, and concurrently with the deposits to any rebate funds for the Parity Lien Bonds and any additional parity securities required by any bond ordinances authorizing the issuance of such parity securities hereafter adopted, there shall be transferred into the “Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds, Series 2015C, Rebate Account,” hereby created, after making in full the monthly deposits required by Sections 604 and 606, but prior to the transfer of any Pledged Revenues to the payment of subordinate securities, such amounts as are required to be deposited therein to meet the City’s obligations under the covenant contained in Section 922 hereof, in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein by Section 922 hereof and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose.

Section 608. Use of Remaining Revenues. After the payments hereinabove required to be made in this Article VI are made, any remaining Pledged Revenues in the Income Fund may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Bond Fund, to the Rebate Account and to each other bond fund and reserve fund, if any, for the payment of any other securities payable from the Pledged Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided in this Article, for any one or any combination of lawful purposes relating to the Project, or otherwise, as the City may from time to time determine.

ARTICLE VII.

GENERAL ADMINISTRATION

Section 701. Administration of Accounts. The special accounts designated in Articles IV and VI hereof shall be administered as provided in this Article, except the Escrow Account which shall be administered as provided in the Escrow Agreement.

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

Section 703. Investment of Moneys. Any moneys in any account designated in Articles IV and VI hereof (except the Escrow Account), and not needed for immediate use, may be invested or reinvested by the City Treasurer in any investments permitted under the laws of the State. For the purpose of any such investment or reinvestment, the securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 704. Required and Permissive Investments. The City Treasurer shall not have any obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceeds \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In that event the City Treasurer shall invest or reinvest in securities to the extent practicable not less than substantially all the amount which will not be needed during such 60-day period, except for any moneys on deposit in an interest-bearing account in any commercial bank, regardless of whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to Section 707 hereof. The City Treasurer may invest or reinvest any moneys on hand at any time as provided in Section 703 hereof even though he is not obligated to do so.

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

Section 706. Redemption or Sale of Investment Securities. The City Treasurer having jurisdiction over moneys designated herein shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any securities and

certificates of deposit so purchased as an investment or reinvestment of moneys in any account whenever it shall be necessary to do so in order to provide moneys to meet any withdrawal, payment or transfer from such account. The City Treasurer and each other officer of the City shall not be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Ordinance.

Section 707. Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States or permitted securities, or both. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of any commercial bank pursuant to Section 703 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

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

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

except to the extent any other moneys are available therefor, including, without limitation, moneys accounted for in the Bond Fund.

Section 710. Payment of Redemption Premiums. Notwithstanding any other provision herein, this Ordinance requires the accumulation in any account designated in Article VI hereof for the payment of any series of bonds or other securities payable from the Pledged Revenues of amounts sufficient to pay not only the principal thereof and interest thereon payable from such account but also the prior redemption premiums due in connection therewith, if any, as the same become due, whenever the City shall have exercised or shall have obligated itself to exercise a prior redemption option relating thereto, except to the extent provision is otherwise made therefor, if any prior redemption premium is due in connection therewith. In that event moneys shall be deposited into such account in due season for the payment of all such Bond Requirements without default as the same become due.

ARTICLE VIII.

SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 801. Lien of the Bonds. The Bonds authorized herein constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, subject to and after any superior liens upon such Pledged Revenues of any superior bonds or superior securities.

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

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

A. **Absence of Default.** At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the City shall not be in default in making any payments required by Sections 604, 606 or 607 hereof with respect to any superior or parity securities.

B. **Earnings Test.** Except as hereinafter otherwise provided: (1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of

the additional superior or parity securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional superior or parity securities are issued and ending on the principal payment date of the year in which any then Outstanding Bonds last mature) of the Outstanding Bonds and any other Outstanding superior or parity securities of the City and the bonds or other securities proposed to be issued (excluding the reserves therefor); or, (2) the Pledged Revenues estimated by the Finance Director, independent feasibility consultant or an Independent Accountant to be derived in the first five Fiscal Years immediately succeeding the issuance of the other additional superior or parity securities proposed to be issued, shall be at least equal to such annual principal and interest requirements to be paid during such Fiscal Years.

C. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether or not additional superior or parity securities may be issued as provided in subsection B of this Section, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Finance Director, independent feasibility consultant or Independent Accountant making the computations under this Section, which loss or gain results from any change in the rate of the levy of that part of the taxes constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such superior or parity securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

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

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

Section 806. Superior Securities Permitted. Nothing herein, subject to the requirements stated in Article VIII hereof, prevents the City from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon prior and superior to the lien thereon of the Bonds; however, such additional superior bonds or other additional superior securities shall not be issued as general obligations of the City.

Section 807. Issuance of Refunding Securities. At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the City shall find it desirable to refund any Outstanding Bonds or other Outstanding securities payable from and constituting a lien upon any Pledged Revenues, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the City's option upon proper call, unless the owner or owners of all such Outstanding Bonds or other securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided in Sections 806 and 808 through 812 hereof).

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

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

authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

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

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

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

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

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

Section 812. Supplemental Ordinance. Additional bonds or other additional securities payable from the Pledged Revenues shall be issued only after authorization thereof by a supplemental instrument of the City stating the purpose or purposes of the issuance of the additional bonds or other additional securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, principal amount, maturity or maturities, designation and numbers thereof, the maximum rate or

rates of interest to be borne thereby, any prior redemption privileges of the City with respect thereto and other provisions thereof not in conflict with this Ordinance. All additional bonds or other additional securities shall bear such date, shall bear such numbers and series designation, letters or symbols prefixed to their numbers distinguishing them from each other security, shall be payable at such place or places at such times, may be subject to redemption prior to maturity on such terms and conditions, and shall bear interest at such rate or at such different and varying rates per annum, as may be fixed by instrument or other document of the City.

ARTICLE IX.

MISCELLANEOUS PROTECTIVE COVENANTS

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

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

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

Section 904. Conditions Precedent. Upon the date of issuance of any Bonds, all conditions, acts and things required by the Constitution or statutes of the State, including without limitation, the Project Act, the Supplemental Bond Act and the Bond Act, or this Ordinance, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds,

together with all other obligations of the City, shall not contravene any debt or other limitation prescribed by the State Constitution or statutes.

Section 905. Covenant to Perform. The City shall observe and perform all of the terms and conditions contained in this Ordinance and the Project Act, the Bond Act and all laws supplemental thereto and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Project, to any such other facilities, or to the City.

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

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

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

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

Section 910. Additional Securities. Any other securities hereafter authorized to be issued and payable from the Pledged Revenues shall not hereafter be issued, unless the additional securities are also issued in conformance with the provisions of Articles VI and VIII hereof.

Section 911. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Project, or any part thereof, or on or against the Pledged Revenues derived or to be derived.

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

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

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

Section 915. Adequacy and Applicability of Pledged Revenues. There shall be imposed and collected the taxes constituting the Pledged Revenues. Fifteen percent of the amount thereof distributed to the City pursuant to the City-County Relief Tax Act is expected to generate an amount sufficient to produce Pledged Revenues to pay in each Fiscal Year:

A. **Principal, Interest and Reserves.** An amount equal to the sum of the annual principal and interest requirements on the Bonds and any other securities payable from the Pledged Revenues in that year and any amounts required to be accumulated from the Pledged Revenues in such Bond Year into any reserves for such securities; and

B. **Deficiencies.** Any amounts required to meet then existing deficiencies relating to any account relating to the Pledged Revenues or any securities payable therefrom; but the foregoing rate maintenance covenant is subject to compliance by the City with any legislation of the United States or the State or any regulation or other action taken by the Federal Government or any State agency or public body 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 due to the City as a result of the imposition of the taxes constituting the Pledged Revenues, including, without limitation, increases in the amounts of such charges. All of such Pledged Revenues shall be subject to distribution to the payment of the Bond Requirements of all securities payable from the Pledged Revenues, including reasonable reserves therefor, as herein provided and the payment of expenses of the Project.

Section 916. Collection of Taxes Constituting Pledged Revenues. The Board, on behalf of the City: shall cause the Pledged Revenues, to be collected as soon as reasonable, shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, including without limitation, the imposition of penalties for any defaults, to the end that the Pledged Revenues shall be adequate to meet the requirements of this Ordinance and of any other instruments supplemental hereto.

Section 917. Levy of Charges. The City shall continue to establish, fix and levy the rates and other charges which are required by Section 915 hereof, if such action is necessary therefor. The City shall not agree to any reduction in the initial or existing levy of taxes constituting the Pledged Revenues.

A. No Default. The City has fully complied with the provisions of Article VI hereof for at least the full Fiscal Year immediately preceding such reduction of the rate; and

B. Sufficient Revenues. The estimated revenues resulting from the proposed rate, after its proposed reduction for the Project shall be sufficient in the full Fiscal Year immediately preceding such reduction to meet the obligation of Section 915 hereof.

Section 918. Records. So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Project or the Pledged Revenues, or to both. Such books shall include (but not necessarily be limited to) monthly records showing:

A. Receipts. The revenues received from the Pledged Revenues, and

B. Expenses. A detailed statement of the expenditures from the Pledged Revenues.

Section 919. Maintenance and Inspection of Records. All requisitions, requests, certificates, opinions and other documents received by any individual on behalf of the City in connection with the Project under the provisions of this Ordinance shall be retained in the City's official records. Any owner of any of the Bonds or any other securities payable from the Pledged Revenues, or any duly authorized agent or agents of such owner, or the Underwriters, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the Project and the Pledged Revenues, to make copies of such records, accounts and data.

Section 920. Tax Levies. The City annually shall levy, or cause to be levied, General Taxes on all taxable property in the City fully sufficient to pay the Bond Requirements of Outstanding Bonds (and any other indebtedness or other obligations of the City), except to the extent other revenues are available therefor, including, without limitation, the Pledged Revenues pledged for the payment of the Bonds, as the Bond Requirements accrue, reasonable allowance being made for delinquent tax collections anticipated at the time of each levy, at the time and in the manner provided by law for levying other Taxes; and the City and the Board shall require the officers of the City to levy, extend, and collect General Taxes in the manner provided by law for

the purpose of creating funds for the payment of the Bond Requirements of the Bonds, other indebtedness, or general obligations. General Taxes for the Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Bonds, as herein provided.

Section 921. Completion of Project. The City, with the proceeds derived from the sale of the Bonds and any other available moneys, shall proceed to cause the Project to be effected without delay to the best of the City's ability and with due diligence, as herein provided.

Section 922. Tax Covenant. The City covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any project refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

ARTICLE X.

MISCELLANEOUS

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

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

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

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

(1) The signing of the Bonds and, if applicable, adding a statement of insurance thereto,

- (2) The tenure and identity of the officials of the City,
- (3) The delivery of the Bonds, the deposit of the Bonds with The Depository Trust Company and the receipt of the bond purchase price,
- (4) The exclusion of the interest on the Bonds from gross income for federal income tax purposes,
- (5) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity therefor, and
- (6) The accuracy and completeness of the statements made in the Final Official Statement;

C. The execution by the Finance Director of the Escrow Agreement, the Bond Purchase Agreement and any agreement between the City and the Paying Agent to the extent not inconsistent with this Ordinance;

D. The execution of the Continuing Disclosure Certificate, substantially in the form as is currently on file with the City, with such amendments and deletions not inconsistent herewith as are agreed to by the Finance Director, or in his absence, the City Manager; and

E. The assembly and dissemination of financial and other information concerning the City and the Bonds.

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

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

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

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

Section 1005. Warranty upon Issuance of Bonds. Any Bonds authorized as herein provided, when duly executed and delivered for the purpose provided for in this Ordinance shall constitute a warranty by and on behalf of the City for the benefit of each and

every future holder of any of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

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

Section 1007. Police Power. Nothing herein prohibits or otherwise limits or inhibits the exercise by the Federal Government, the State, any agency thereof or any public body thereof, including, without limitation, the City, of the police power, i.e., essential governmental powers for the public welfare. The provisions hereof are subject to any proper exercise hereafter of the police power thereby. The City cannot contract away the police power thereof nor limit or inhibit by contract the proper exercise of the police power thereby, and this Ordinance does not purport to do so.

Section 1008. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent so appointed shall resign, if the City determines that it is in the best interests of the City, or if the City shall reasonably determine that the Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, upon notice mailed to each owner of any Bond at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent or both. Every such successor Registrar or Paying Agent shall be an authorized officer of the City or a trust bank. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder. No resignation or dismissal of the Registrar or the Paying Agent may take effect until a successor is appointed.

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

or conveyance on the part of any of the parties hereto, anything in this Ordinance to the contrary notwithstanding.

Section 1009. Continuing Disclosure Undertaking. The City covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the final Continuing Disclosure Certificate in substantially the form now on file with the City to be executed and delivered in connection with the delivery of the Bonds.

ARTICLE XI.

PRIVILEGES, RIGHTS AND REMEDIES

Section 1101. Bondowner's Remedies. Each owner of any Bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the Project Act and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in Sections 207 through 210 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

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

Section 1103. Events of Default. Each of the following events is hereby declared an "Event of Default":

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

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

C. **Incapable to Perform.** The City for any reason is rendered incapable of fulfilling its obligations hereunder, excluding, however, any obligations pursuant to Section 1009 of this Ordinance;

D. **Nonperformance of Duties.** The City fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues, or otherwise, including, without limitation, this Ordinance, excluding, however, the provisions of

Section 1009 of this Ordinance, and such failure continues for 60 days after receipt of notice from the owners of 10% in principal amount of the Bonds then Outstanding;

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

F. Default of Any Provision. The City makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed, except with respect to the provisions of Section 1009 of this Ordinance, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the City by the owners of 10% in principal amount of the Bonds then Outstanding.

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

Section 1105. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of owners hereunder, the consent to any such appointment being

hereby expressly granted by the City, receive and apply all Pledged Revenues arising after the appointment of the receiver in the same manner as the City itself might do.

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

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

Section 1108. Prejudicial Action Unnecessary. Nothing in this article requires the City to proceed as provided therein if the City determines in good faith and without any gross abuse of its discretion that if the City so proceeds it is more likely than not to incur a net loss rather than a net gain, or the action is otherwise likely to affect materially and prejudicially the owners of the Outstanding Bonds and any Outstanding parity securities.

ARTICLE XII.

AMENDMENT OF ORDINANCE

Section 1201. Privilege of Amendments. This Ordinance may be amended or supplemented by instruments adopted by the City in accordance with the laws of the State, without receipt by the City of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or the owners of at least a majority in aggregate principal amount of the Bonds authorized by this Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding, pursuant to paragraph (4) of Section 102B hereof, any Bonds which may then be held or owned for the account of the City, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the City.

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

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

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

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

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

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

Section 1203. Notice of Amendment. Whenever the City proposes to amend or modify this Ordinance under the provisions of this Article, it shall cause notice of the proposed

amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to each:

- A. The Paying Agent,
- B. The Registrar, and
- C. The insurer of the Bonds, if any, or the owner of each of the Bonds

Outstanding.

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

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

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

Section 1206. Time Consent Binding. Any consent given by the owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the mailing above provided for in Section 1203 hereof, and shall be conclusive and binding upon all future owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of mailing of the notice by the owner who gave the consent or by a successor in title by filing notice of the revocation with the Clerk, but the revocation shall not be effective if the owners of a majority in aggregate principal amount of the

Bonds Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

Section 1207. Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and the provisions of this Ordinance or of any instrument amendatory hereof or supplemental hereto and the rights and the obligations of the City and of the owners of the Bonds hereunder may be modified or amended in any respect upon the adoption by the City and upon the filing with the Clerk of an instrument to that effect and with the consent of the insurer of the Bonds, if any, or the owners of all the then Outstanding Bonds, the consent to be given as provided in Section 1004 hereof; and no notice to owners of Bonds shall be required as provided in Section 1203 hereof, nor shall the time of consent be limited except as may be provided in the consent.

Section 1208. Exclusion of City's Bonds. At the time of any consent or of other action taken under this Article, the City shall furnish to the Clerk a certificate of the City Treasurer, upon which the City may rely, describing all Bonds to be excluded, for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in this Article, and the City shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, pursuant to paragraph (4) of Section 102B hereof.

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

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

PASSED AND ADOPTED BY AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE MEMBERS OF THE BOARD OF SUPERVISORS OF CARSON CITY, THIS JULY 16, 2015.

Proposed on July 2, 2015.

Passed on the July 16, 2015.

Those Voting Aye:

Those Voting Nay:

Those Absent and Not Voting:

Those Abstaining:

Mayor

(SEAL)

City Clerk

This Ordinance shall be force and effect from and after July __, 2015, i.e., the date of publication of this Ordinance by its title only.

STATE OF NEVADA)
) ss.
CARSON CITY)

I, Sue Merriwether, the duly chosen, qualified and acting City Clerk of Carson City (herein “City”), Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of an ordinance introduced at a meeting on July 2, 2015, and passed and adopted by the Board of Supervisors of the City (the “Board”) at a meeting of the Board held on July 16, 2015; and the original ordinance has been approved and authenticated by the signature of the Mayor and myself as City Clerk, and sealed with the seal of the City, and has been recorded in the minute book of the Board kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. Members of the Board voted on the passage of the ordinance as set forth in such ordinance.

3. All members of the Board were given due and proper notice of such meetings held on July 2, 2015 and July 16, 2015.

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 meetings and excerpts from the agendas for the meetings relating to the ordinance, as posted at least 3 working days in advance of the meetings at the City’s website, the State of Nevada’s official website, and at the:

- (i) Community Center
851 East William Street
Carson City, Nevada
- (ii) Public Safety Complex
885 East Musser Street
Carson City, Nevada
- (iii) City Hall
201 North Carson Street
Carson City, Nevada
- (iv) Carson City Library
900 North Roop Street
Carson City, Nevada

(v) Business Resource & Innovation Center (BRIC)
108 East Proctor Street
Carson City, Nevada

are attached as Exhibit A hereto.

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

6. An affidavit of publication of the notice of filing of the ordinance is attached hereto as Exhibit B.

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

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Carson City, Nevada, this July 16, 2015.

(SEAL)

City Clerk

EXHIBIT "A"

(Attach Copy of Notices of Meetings on July 2, 2015 and July 16, 2015)

EXHIBIT "B"

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

EXHIBIT "C"

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

EXHIBIT "D"

(Attach Certificate of City Manager and Report of the City's Financial Advisor)

**CARSON CITY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SEWER BONDS
(ADDITIONALLY SECURED BY
PLEDGED REVENUES)
SERIES 2015B**

**CARSON CITY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT
REFUNDING BONDS
(ADDITIONALLY SECURED BY
PLEDGED REVENUES)
SERIES 2015C**

CERTIFICATE OF CITY MANAGER PURSUANT TO NRS 350.155

IT IS HEREBY CERTIFIED by the undersigned, City Manager, as the chief administrative officer of Carson City, Nevada (the "City"), in connection with the sale and issuance of the Carson City, Nevada, General Obligation (Limited Tax) Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2015B (the "2015B Bonds") and the Carson City, Nevada, General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015C (the "2015C Bonds" and collectively, the "Bonds"), being issued for the purposes described in the ordinances of the Board of Supervisors of the City to be considered for adoption on July 16, 2015, authorizing the issuance of the Bonds:

1. As described in the report of JNA Consulting Group LLC, as financial advisor to the City in connection with the Bonds, attached to this certificate and made a part hereof, the use of negotiated sale for the 2015C Bonds may provide a substantial benefit to the City which would not be available if the 2015C Bonds were sold by competitive bid. The circumstances that may provide a substantial benefit include the overall structure of the transaction, which requires control over the bond pricing process to maximize savings. Such level of control may be better achieved under a negotiated sale;
2. The 2015B Bonds are being sold at a time when, because of particular conditions in the market, a negotiated sale may provide a benefit to the City which would not be available if the 2015B Bonds were sold by competitive bid. The particular conditions in the market which indicate that a negotiated sale of the 2015B Bonds may provide a benefit to the City include uncertainty based on the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding the eligibility of underwriters to bid on both series of bonds if not priced together, the ability to market and price the Bonds under a single prospectus with a substantial core of identical information describing all of the Bonds, and with continued market volatility, the opportunity to sell the Bonds concurrently (on the same day) decreasing the risk of financial market deterioration between the sales of the 2015B Bonds and the 2015C Bonds, if sold separately on different days; and
3. The estimated amount of benefit which will accrue to the City is stated in the attached report.

WITNESS my hand as of this July 16, 2015.



City Manager and Chief Administrative
Officer of Carson City, Nevada



JNA Consulting Group, LLC

Independent Public Finance Advisors

To: Nick Marano, City Manager, Carson City

Nick Providenti, Finance Director, Carson City

From: JNA Consulting Group, LLC

Date: June 02, 2015

RE: Proposed Method of Sale for Upcoming Capital Improvement Refunding and Sewer Bonds

As required under Nevada Revised Statutes, this memo serves as the financial advisor's certification of the need to utilize a negotiated method of sale for the Carson City, Nevada General Obligation (Limited Tax) Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2015B and the Carson City, Nevada General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015C.

The 2015C Capital Improvement Refunding Bonds are solely a refunding transaction. NRS 350.155.2(i) provides that refunding bonds are acceptable for negotiated sale. Since the City has sold refunding bonds at competitive sale in the past, we believe that the 2015C Bonds are unique due to the following factors:

- The overall structure of the transaction (allocation of refunding bond interest savings and debt service of the refunded bonds) is uneven. In order to ensure that the structural goals of the refunding are achieved, more control of the bond pricing process is needed. This level of control is difficult to achieve under a competitive sale.

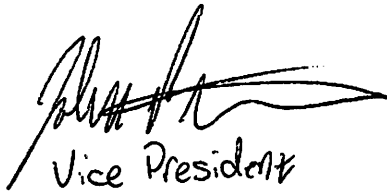
The 2015B Sewer Bonds will be issued to finance capital improvements to the City's sewer system. NRS 350.155.2(j) provides that certain market conditions may allow for a negotiated sale. We believe this applies to the 2015B Sewer Bonds for the following reasons:

- It is unclear whether the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 prevents the underwriters of the 2015C Capital Improvement Refunding Bonds from bidding on the 2015B Sewer Bonds. The determination of an underwriter's eligibility is not solely reserved by the City. Most recently, the recent competitive sales of the City's 2014E and 2014F bonds received bids from five underwriting firms. The loss of one or more firms as potential bidders on the 2015B Bonds threatens the success of the 2015B Bonds.
- Current rating agency practices primarily evaluate the proposed bonds as general obligations of the City rather than based upon their respective pledge of additional revenues. Due to this, the City is able to market the 2015B and 2015C Bonds under a single offering prospectus with a substantial core of identical information describing all of the bonds. We expect interest rates on the 2015B and 2015C Bonds (if priced on the same day) will be fundamentally the same, accounting for differences in payment dates and principal amount. The City has previously used a single disclosure document for concurrent series of general obligation bonds in 2010, 2013, and 2014. However, a simultaneous pricing of competitive and negotiated bonds has not previously been attempted by the City, and we are not aware of another Nevada entity that has done so.

- Financial markets have been volatile throughout the current calendar year. In order to avoid confusion, we believe that a competitive sale of the 2015B Sewer Bonds must be physically separated from the sale of the 2015C Bonds by one or more days. Selling the sewer bonds concurrently (on the same day) through a negotiated sale rather than consecutively (over several days of possibly weeks) decreases the risk of financial markets deteriorating between the sale(s) of the 2015C and 2015B Bonds.

Finally, we expect that underwriting compensation for a negotiated sale of both the 2015B and 2015C Bonds will be reduced by \$70,000 to \$120,000. If both series of bonds are sold simultaneously, we believe that other transaction costs will be reduced between \$25,000 and \$40,000. We also expect the utilization of City staff time for a single negotiated sale process to be substantially less than separate transactions.

If you have any questions please contact John Peterson at (702) 294-5100.



Vice President

**Carson City, Nevada
General Obligation (Limited Tax)
Capital Improvement Refunding Bonds, Series 2015C
Sources & Uses of Funds**

Issue Summary

Dated Date	08/03/2015
Par Amount	\$15,540,000
Refunded Par	\$16,630,000
Avg Annual Savings	\$71,540
Total Savings	\$1,292,549
Present Value Savings	\$1,143,683
% of Refunding Par	7.360%
% of Refunded Par	6.877%
Underwriter's Spread	0.480%
Total Costs as % of Par	1.266%
True-Interest-Cost	3.51357%
Bond Yield	3.30036%
Arbitrage Yield	3.34519%
Escrow Yield	0.00000%
Weighted Average Maturity	10.235 years
Refunded Weighted Average Maturity	9.748 years
Negative Arbitrage	\$132,946

Sources of Funds:

Par Amount	\$15,540,000.00
Original Issue Premium	1,117,022.45
DSF Cash Contribution	<u>552,832.81</u>
Total	\$17,209,855.26

Uses of Funds:

Initial Escrow Deposit	\$1.81
Unrestricted Escrow Cost	552,831.00
Restricted Escrow Cost	16,460,335.00
Net Underwriting	74,648.50
Insurance	0.00
Issuance Costs	<u>122,038.95</u>
Total	\$17,209,855.26

**Carson City, Nevada
General Obligation (Limited Tax)
Capital Improvement Refunding Bonds, Series 2015C
Debt Service Schedule**

Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Debt Service
08/03/2015					
05/01/2016	\$1,010,000	3.000%	\$485,238.19	\$1,495,238.19	\$1,495,238.19
11/01/2016			310,756.25	310,756.25	
05/01/2017	685,000	3.000%	310,756.25	995,756.25	1,306,512.50
11/01/2017			300,481.25	300,481.25	
05/01/2018	700,000	4.000%	300,481.25	1,000,481.25	1,300,962.50
11/01/2018			286,481.25	286,481.25	
05/01/2019	650,000	4.000%	286,481.25	936,481.25	1,222,962.50
11/01/2019			273,481.25	273,481.25	
05/01/2020	740,000	4.000%	273,481.25	1,013,481.25	1,286,962.50
11/01/2020			258,681.25	258,681.25	
05/01/2021	965,000	4.000%	258,681.25	1,223,681.25	1,482,362.50
11/01/2021			239,381.25	239,381.25	
05/01/2022	1,045,000	4.000%	239,381.25	1,284,381.25	1,523,762.50
11/01/2022			218,481.25	218,481.25	
05/01/2023	0	2.000%	218,481.25	218,481.25	436,962.50
11/01/2023			218,481.25	218,481.25	
05/01/2024	0	2.000%	218,481.25	218,481.25	436,962.50
11/01/2024			218,481.25	218,481.25	
05/01/2025	0	2.250%	218,481.25	218,481.25	436,962.50
11/01/2025			218,481.25	218,481.25	
05/01/2026	1,610,000	5.000%	218,481.25	1,828,481.25	2,046,962.50
11/01/2026			178,231.25	178,231.25	
05/01/2027	1,695,000	5.000%	178,231.25	1,873,231.25	2,051,462.50
11/01/2027			135,856.25	135,856.25	
05/01/2028	1,785,000	5.000%	135,856.25	1,920,856.25	2,056,712.50
11/01/2028			91,231.25	91,231.25	
05/01/2029	0	3.625%	91,231.25	91,231.25	182,462.50
11/01/2029			91,231.25	91,231.25	
05/01/2030	0	3.750%	91,231.25	91,231.25	182,462.50
11/01/2030			91,231.25	91,231.25	
05/01/2031	1,495,000	3.750%	91,231.25	1,586,231.25	1,677,462.50
11/01/2031			63,200.00	63,200.00	
05/01/2032	1,550,000	4.000%	63,200.00	1,613,200.00	1,676,400.00
11/01/2032			32,200.00	32,200.00	
05/01/2033	1,610,000	4.000%	32,200.00	1,642,200.00	1,674,400.00
11/01/2033			0.00	0.00	
05/01/2034	0	4.000%	0.00	0.00	0.00
	\$15,540,000		\$6,937,975.69	\$22,477,975.69	\$22,477,975.69

**Carson City, Nevada
General Obligation (Limited Tax)
Capital Improvement Refunding Bonds, Series 2015C
Pricing Schedule**

Call Date: 05/01/2025

Call Price: 100

Date	Principal	Coupon	Yield	Price	Prem/(Disc)	Production
08/03/2015						
05/01/2016	\$1,010,000.00	3.000%	0.580%	101.794	\$18,119.40	\$1,028,119.40
05/01/2017	685,000.00	3.000%	0.990%	103.466	23,742.10	708,742.10
05/01/2018	700,000.00	4.000%	1.420%	106.918	48,426.00	748,426.00
05/01/2019	650,000.00	4.000%	1.690%	108.345	54,242.50	704,242.50
05/01/2020	740,000.00	4.000%	1.970%	109.149	67,702.60	807,702.60
05/01/2021	965,000.00	4.000%	2.320%	108.983	86,685.95	1,051,685.95
05/01/2022	1,045,000.00	4.000%	2.490%	109.318	97,373.10	1,142,373.10
05/01/2023	0.00	2.000%	2.630%	95.610	0.00	0.00
05/01/2024	0.00	2.000%	2.780%	93.980	0.00	0.00
05/01/2025	0.00	2.250%	2.900%	94.514	0.00	0.00
05/01/2026	1,610,000.00	5.000%	3.030%	116.510	265,811.00	1,875,811.00
05/01/2027	1,695,000.00	5.000%	3.180%	115.142	256,656.90	1,951,656.90
05/01/2028	1,785,000.00	5.000%	3.290%	114.152	252,613.20	2,037,613.20
05/01/2029	0.00	3.625%	3.730%	98.874	0.00	0.00
05/01/2030	0.00	3.750%	3.860%	98.767	0.00	0.00
05/01/2031	1,495,000.00	3.750%	3.970%	97.438	(38,301.90)	1,456,698.10
05/01/2032	1,550,000.00	4.000%	4.020%	99.753	(3,828.50)	1,546,171.50
05/01/2033	1,610,000.00	4.000%	4.060%	99.241	(12,219.90)	1,597,780.10
05/01/2034	<u>0.00</u>	4.000%	4.050%	99.342	<u>0.00</u>	<u>0.00</u>
	\$15,540,000.00	Par Amount			\$1,117,022.45	\$16,657,022.45
	<u>1,042,373.95</u>	+ Premium Bid				
	16,582,373.95	- Amount Bid				
	<u>74,648.50</u>	+ Underwriter's Spread				
	\$16,657,022.45	- Price to Public				

Carson City, Nevada
 General Obligation (Limited Tax)
 Capital Improvement Refunding Bonds, Series 2015C
 Savings Calculation

Date	Refunding Debt Service	Refunded Debt Service	Cashflow Savings/(Loss)	PV Savings/(Loss) @ 3.30036%	Annual Savings/(Loss)
08/03/2015		(\$552,832.81)	(\$552,832.81)	(\$552,832.81)	
11/01/2015	\$0.00	383,165.62	383,165.62	380,111.87	
05/01/2016	1,495,238.19	1,828,165.62	332,927.43	324,912.42	\$163,260.24
11/01/2016	310,756.25	354,265.62	43,509.37	41,772.59	
05/01/2017	995,756.25	1,169,265.62	173,509.37	163,879.02	217,018.74
11/01/2017	300,481.25	337,965.62	37,484.37	34,829.12	
05/01/2018	1,000,481.25	1,192,965.62	192,484.37	175,946.07	229,968.74
11/01/2018	286,481.25	316,590.62	30,109.37	27,075.57	
05/01/2019	936,481.25	1,206,590.62	270,109.37	238,950.22	300,218.74
11/01/2019	273,481.25	294,340.62	20,859.37	18,153.52	
05/01/2020	1,013,481.25	1,234,340.62	220,859.37	189,089.45	241,718.74
11/01/2020	258,681.25	270,840.62	12,159.37	10,241.28	
05/01/2021	1,223,681.25	1,255,840.62	32,159.37	26,646.65	44,318.74
11/01/2021	239,381.25	246,215.62	6,834.37	5,570.90	
05/01/2022	1,284,381.25	1,281,215.62	(3,165.63)	(2,538.51)	3,668.74
11/01/2022	218,481.25	220,340.62	1,859.37	1,466.82	
05/01/2023	218,481.25	220,340.62	1,859.37	1,443.01	3,718.74
11/01/2023	218,481.25	220,340.62	1,859.37	1,419.58	
05/01/2024	218,481.25	220,340.62	1,859.37	1,396.54	3,718.74
11/01/2024	218,481.25	220,340.62	1,859.37	1,373.86	
05/01/2025	218,481.25	220,340.62	1,859.37	1,351.56	3,718.74
11/01/2025	218,481.25	220,340.62	1,859.37	1,329.62	
05/01/2026	1,828,481.25	1,830,340.62	1,859.37	1,308.03	3,718.74
11/01/2026	178,231.25	184,115.62	5,884.37	4,072.35	
05/01/2027	1,873,231.25	1,869,115.62	(4,115.63)	(2,802.03)	1,768.74
11/01/2027	135,856.25	146,203.12	10,346.87	6,930.08	
05/01/2028	1,920,856.25	1,911,203.12	(9,653.13)	(6,360.47)	693.74
11/01/2028	91,231.25	106,490.62	15,259.37	9,891.21	
05/01/2029	91,231.25	106,490.62	15,259.37	9,730.64	30,518.74
11/01/2029	91,231.25	106,490.62	15,259.37	9,572.67	
05/01/2030	91,231.25	106,490.62	15,259.37	9,417.27	30,518.74
11/01/2030	91,231.25	106,490.62	15,259.37	9,264.39	
05/01/2031	1,586,231.25	1,571,490.62	(14,740.63)	(8,804.16)	518.74
11/01/2031	63,200.00	72,612.50	9,412.50	5,530.56	
05/01/2032	1,613,200.00	1,607,612.50	(5,587.50)	(3,229.78)	3,825.00
11/01/2032	32,200.00	37,115.62	4,915.62	2,795.28	
05/01/2033	1,642,200.00	1,642,115.62	(84.38)	(47.20)	4,831.24
11/01/2033	0.00	0.00	0.00	0.00	
05/01/2034	0.00	0.00	0.00	0.00	
	\$22,477,975.69	\$23,765,698.27	\$1,287,722.58	\$1,138,857.17	\$1,287,722.58
		Plus: Miscellaneous	4,826.22	4,826.22	4,826.22
		Net Savings	\$1,292,548.80	\$1,143,683.39	\$1,292,548.80