

Governor Steve Sisolak
Chairman



State of Nevada
STATE BOARD OF FINANCE

Members
Treasurer Zach Conine
Controller Catherine Byrne
Teresa J. Courier
Brian A. Sagert

PUBLIC NOTICE

AGENDA

MEETING OF THE STATE BOARD OF FINANCE
Tuesday, October 8, 2019
1:00 P.M.

Locations:

Via videoconference at the following locations:

Old Assembly Chambers
Capitol Building, Second Floor
101 N. Carson Street
Carson City, NV 89701

Grant Sawyer State Office Building
555 E. Washington Avenue, Suite 5100
Las Vegas, NV 89101

Agenda Items:

1. Roll Call
2. Public Comment
Comments from the public are invited at this time. Pursuant to NRS 241.020(2)(d)(7), the Board intends to limit to 3 minutes the time for an individual to speak and may impose reasonable restrictions on place or manner for such comment. No restriction will be imposed based on viewpoint. Comment will only be received on matters relevant to the Board's jurisdiction. The Board may discuss but is precluded from acting on items raised during Public Comment that are not on the agenda.
3. **For discussion and possible action:** on the Board of Finance minutes from the meeting held on August 19, 2019.

Presenter: Tara Hagan, Chief Deputy Treasurer

101 N. Carson Street, Suite 4
Carson City, Nevada 89701
775-684-5600
Website: NevadaTreasurer.gov/BoF

4. **For discussion and possible action:** on the issuance of general obligation bonds by the State of Nevada.
- a. For possible action: on a resolution designated the "2019A Capital Improvement and Refunding Bond Resolution"; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A, in the aggregate principal amount not to exceed \$178,000,000; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.
 - b. For possible action: on a resolution designated the "2019B Natural Resources Bond Resolution"; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B, in the aggregate principal amount not to exceed \$5,500,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.
 - c. For possible action: on a resolution designated the "2019C Revolving Fund Matching Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C, in the aggregate principal amount not to exceed \$5,800,000.
 - d. For possible action: on a resolution designated the "2019D Revolving Fund Matching Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D, in the aggregate principal not to exceed \$6,000,000.
 - e. For possible action: on a resolution designated the "2019E Revolving Fund Leverage Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E, in the aggregate principal amount not to exceed \$30,000,000.

Presenter: Lori Chatwood, Deputy Treasurer, Debt Division

5. **For discussion and possible action:** on a resolution approving the report submitted by the executive director of the Department of Taxation and the State Permanent School Fund (PSF) Guarantee Agreement pertaining to the Storey County School District, Nevada, General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed) Series 2019, in the aggregate amount not to exceed \$6,150,000.

Presenter: Lori Chatwood, Deputy Treasurer, Debt Division

6. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$46,000,000 of Multi-Unit Housing Revenue Bonds (Decatur and Alta Apartments), for the purpose of construction of a 420-unit affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership entity comprised of Nevada HAND and the Raymond James Tax Credit Fund, Inc. The Raymond James Tax Credit Fund, Inc. will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

7. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$25,000,000 of Multi-Unit Housing Revenue Bonds (Blue Diamond Senior Apartments), for the purpose of the construction of a 195-unit affordable housing rental project in Clark County Nevada. The project owner/developer will be a limited partnership entity comprised of Ovation Affordable Housing, Inc. (an affiliate of Ovation Development Corporation) and Coordinated Living of Southern Nevada, Inc. Wells Fargo Company will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

8. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$27,000,000 of Multi-Unit Housing Revenue Bonds (Sanctuary Senior Apartments), for the purpose of construction of a 208-unit affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited liability company, which will consist of entities owned by Vintage Housing Development and Greenstreet Companies, LLC. AEGON USA Realty Advisors, LLC will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

9. **For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$24,000,000 of Multi-Unit Housing Revenue Bonds (Vintage at Seven Hills Apartments), for the purpose of acquisition and rehabilitation of a 244-unit affordable housing rental project in Henderson, Nevada. The project owner/developer will be a limited liability company, which will consist of entities owned by Vintage Housing Development. AEGON USA Realty Advisors, LLC will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Presenter: Stephen Aichroth, Administrator, Nevada Housing Division

10. Public Comment.
Comments from the public are invited at this time. Pursuant to NRS 241.020(2)(d)(7), the Board intends to limit to 3 minutes the time for an individual to speak and reserves the right to impose other reasonable restrictions on place or manner for such comment. No restriction will be imposed based on viewpoint. Comment will only be received on matters relevant to the Board's jurisdiction. The Board may discuss but is precluded from acting on items raised during Public Comment that are not on the agenda.

ADJOURNMENT

Notes:

Items may be taken out of order; items may be combined for consideration by the public body; and items may be pulled or removed from the agenda at any time.

Prior to the commencement and conclusion of a quasi judicial proceeding that may affect the due process rights of an individual, the Board may refuse to consider public comment. See NRS 233B.126.

The State Board of Finance is pleased to make reasonable accommodations for persons with physical disabilities. Please call (775) 684-7109 if assistance is needed.

Tara Hagan, Secretary to the Board may be contacted at (775) 684-5600 to obtain copies of supporting materials, which are available to the public at 101 N. Carson St., Carson City, NV 89701.

THIS AGENDA HAS BEEN POSTED IN THE FOLLOWING PUBLIC LOCATIONS:

- **Capitol Building, 1st & 2nd Floors, Carson City, Nevada**
- **Legislative Building, Carson City, Nevada**
- **Nevada State Library, Carson City, Nevada**
- **Blasdel Building, Carson City, Nevada**
- **Grant Sawyer Building, Las Vegas, Nevada**
- **City Halls in Reno, Elko and Henderson, Nevada**

Also online at: http://www.nevadatreasurer.gov/Finances/Board/BOF_Home/ and <https://notice.nv.gov/>

STATE BOARD OF FINANCE
August 19, 2019 – 1:00 PM
Summary Minutes

Location:

Via videoconference at the following locations:

Old Assembly Chambers	Governor's Office Conference Room
Capitol Building, Second Floor	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

Governor Sisolak called the meeting to order at 1:00 P.M.

Board members present:

Governor Steve Sisolak – Carson City
Treasurer Zach Conine – Carson City
Controller Catherine Byrne – Excused
Teresa Courier – Carson City
Brian Sagert – Las Vegas

Others present:

Tara Hagan – Chief Deputy Treasurer
Miles Dickson – Chief of Staff to Treasurer
Dennis Belcourt – Deputy Attorney General
Terry Reynolds, Department of Business and Industry
Director Michael Brown, Department of Business and Industry
David Robertson – Lewis, Young, Robertson & Burningham, Inc.
Ryan Warburton – Gilmore and Bell
Jim Macias – Fulcrum BioEnergy
Eric Pryor – Fulcrum BioEnergy
Richard Barraza – Fulcrum BioEnergy
Jim Stone – Fulcrum BioEnergy
Dale Conner – Nevada State Parks
Jen Idem – Nevada State Parks

Agenda Item 2 – Public Comment.

No public comment in Carson City or Las Vegas.

Agenda Item 3 – For discussion and possible action – Approval of the Board of Finance minutes from the meeting held on June 13, 2019.

Treasurer Conine moved to approve the minutes. Motion passed unanimously.

Agenda Item 4 – For discussion and possible action: on the request by the Director of the State of Nevada Department of Business and Industry to approve the Findings of Fact pertaining to the

issuance of industrial development revenue bonds in one or more issues in an aggregate amount not to exceed \$50,000,000 for the purpose of assisting in the financing or refinancing of a portion of the costs of (i) constructing, improving, and equipping a facility to be used for converting municipal solid waste into renewable fuel products located on an approximately 19.4-acre site to be located in the Tahoe-Reno Industrial Center, Storey County, Nevada and/or (ii) the improvements to and equipping of the facility used for preliminary sorting and processing of municipal solid waste located on an approximately 10.0-acre site in Mustang, Storey County, Nevada. The project will be owned by Fulcrum Sierra Holdings, LLC, and operated by Fulcrum BioEnergy, Inc. Approval of the Board of Finance is required pursuant to NRS 349.580(2).

Terry Reynolds with the Department of Business and Industry presented the details of the fifth installment of the Fulcrum project and stated that the bond funds in the amount of \$50,000,000 will be used for constructing, improving, and equipping a facility to be used for converting municipal solid waste into renewable fuel products, including the use of solar energy. Mr. Reynolds noted this volume cap will be part of the renewable energy cap in the amount of \$100,000,000 which was set aside in 2018. He noted that once completed, the project will be running on 100% of renewable energy which makes it the first in the State of Nevada.

Fulcrum BioEnergy representatives provided the Board with a presentation regarding the scope of the project in Nevada. Mr. Macias explained that the Sierra project will consist of two buildings. The first building will be a feedstock processing facility which will be located at the landfill and the second building is the biorefinery. The feedstock processing facility will take the raw dirty garbage and turn it into a clean engineered dry feedstock. This facility has been up and running for about two years and the biorefinery is currently under construction and will be operational mid-2020. Mr. Macias discussed the partners associated with the project and explained the conversion process for the liquid gas. Mr. Macias reviewed the permanent jobs (120), the Fulcrum actual wages (\$30.62 per hour without benefits) and noted 100% of Fulcrum employees have medical, dental, vision and life benefits.

Governor Sisolak thanked Mr. Macias for the presentation and noted his support for the project. He stated that he is pleased to see the employment numbers are created than the estimated projects. He then asked who owns the garbage when it's taken from the landfill.

Mr. Macias with Fulcrum stated that the garbage is owned by Waste Management and they take title to it when it's dumped on their floor.

Member Brian Sagert asked how the firm estimates the initial start-up costs. He noted due to the unique nature of the project, he was curious how the costs and revenue estimates were developed.

Mr. Macias stated the company was founded twelve years ago and it spent the first ten years planning, designing, testing, enhancing and refining the process. He noted those years were spent ensuring the process was guaranteed which was the result of many years, and lots of money. They started with estimating basic engineering costs and continued to refine it until the team was satisfied with the results. He noted it was not done overnight.

Governor Sisolak as if this will be the first plant of many to come.

Mr. Macias stated yes, this is the first plant and they are developing other plants in Chicago, Houston, the United Kingdom, Seattle, San Francisco and Los Angeles. He noted that the team is in Nevada due to the development of the Reno-Tahoe center and support of the state and local government.

Brian Sagert moved to approve Agenda Item 4. Motion passed unanimously.

Agenda Item 5 – For discussion and possible action: on the request from the Nevada Division of State Parks to enter into an agreement with Viply and Braintree Payment Services to accept credit cards. The agreement will require all fees to be paid by customers who choose to use the application. Approval of the Board of Finance is required pursuant to NRS 353.1465.

Tara Hagan stated that staff is seeking the Board's approval for the Nevada Division of Parks to enter into an agreement with Viply and Braintree Payment Services to accept credit cards through a mobile application. Pursuant to statute, the Board must approve any contract for credit card processors when an agency is not using the state's master contract. Currently, the state's master contract is with Wells Fargo Merchant Services. The Treasurer's Office, in conjunction with the Division of Parks, worked with Wells Fargo Merchant Services to attempt to find a solution; however, due to the unique needs of the Division, staff is seeking the ability to use another vendor. This contract will allow park visitors to pay for entrance fees, by choice, with an application on their mobile phone at no cost to the state. The consumer will pay additional fees to use the mobile application for park entry fees (\$5.00). This is a pilot program with the Division of Parks, and the Division will track the usage of this application to determine next steps. The State Treasurer's Office is recommending the Board's approval of this contract.

Ms. Hagan stated that at the June 2019 meeting there was some confusion as to whether the state would continue to receive the full \$5.00 park entry fee as part of the agreement. Staff has worked with both the Division of State Parks and the contractor to ensure the agreement will not allow for the offset of fees. The contract will stipulate that the fees will be passed 100% to the consumer. Ms. Hagan reminded the Board that this one of many payment options for park visitors. All parks accept the standard entry fee in cash and some parks have kiosks which allow for the acceptance of credit and debit card payments. The fees for this application are broken down as follows: \$5.00 is the entry fee to the park, \$1.20 is Viply's fee and 2.9% of the total transaction costs is paid directly to Braintree to cover all the credit card costs, including chargebacks and other various processing fees for a total of \$6.38. Ms. Hagan explained that part of the reason for the higher fees is because neither the Division of Parks nor the contractor knows the expected volume this application will generate. Staff will be reviewing the contract twice a year to audit the volume and credit card processing to ensure the fee is commensurate with the transaction volume.

Governor Sisolak stated he is concerned with the \$1.20 fee being so high.

Ms. Hagan stated that Staff will work with the Division of Parks and the Contractor to ensure that the mobile application is made very clear to the consumer that there is a \$1.20 fee, in addition to the \$5.00 park entrance fee.

Brian Sagert about marketing and advertising and asked if the fee will be posted and advertised at the parks.

Ms. Hagan stated that Staff will be working very closely with Viply and the Division on the advertising. Ms. Hagan explained that it is required, by credit card companies, that those fees must be made very clear up front to the consumer and that other payment options are noted with the credit card option.

Governor Sisolak asked if there was a projected charge back rate and if a consumer has their card charged without their consent and they make a call to dispute the charge, who is responsible for that charge.

Ms. Hagan stated that the state will not pay the chargeback rate of \$5.00. Ms. Hagan stated that Viply and Braintree are responsible for the fee, not the state. If a consumer disputes the charge, he or she would call Braintree directly to dispute the charge.

Treasurer Conine moved to approve Agenda Item 5. Motion passed unanimously.

Agenda Item 6 – For discussion and possible action: on the approval of the amended State Treasurer's investment policy statement for the State General Fund Portfolio pursuant to NRS 355.045.

Governor Sisolak requested the Board take Agenda items 6 and 7 together.

Ms. Hagan noted that the primary purpose of the amendments to both the General Portfolio and Local Government Investment Portfolio (LGIP) is to modify the policies to incorporate the passage of Assembly Bill 34 (AB34) which was passed in the 2019 legislative session and signed by the Governor on May 23, 2019. She noted the last policy revision for the General Portfolio policy was in June 2012 and LGIP was in November 2015. Ms. Hagan reviewed the primary additions to the statutes as the result of the passage and approval of AB34.

No comments or questions from Board members on Item 6 or 7.

Teresa Courier moved to approve Agenda Item 6 and 7. Motion passed unanimously

Agenda Item 7 – For discussion and possible action: on the approval of the amended State Treasurer's investment policy statement for the Local Investment Pool (LGIP) Portfolio pursuant to NRS 355.045.

Please see agenda item #6.

Agenda Item 8 – **For discussion and possible action:** on the approval of to the State Treasurer’s quarterly investment report for the quarter ended June 30, 2019 pursuant to NRS 355.045.

Ms. Hagan provided the Board with the investment report for period ending June 30, 2019 for both the State’s General Portfolio and the LGIP. She noted the performance of both portfolios is in line with market expectations and is pleased to report that the interest distributed to state agencies via the General Portfolio for fiscal year 2019 is \$60 million which was nearly double the amount distributed in fiscal year 2018.

Brian Sagert moved to approve Agenda Item 8. Motion passed unanimously.

Agenda Item 9 – **Public Comment**

No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:29pm.



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (Board) Members

FROM: Lori Chatwood, Deputy Treasurer-Debt Management

SUBJECT: October 8, 2019 Agenda Item #4a-e State of Nevada Fall 2019 General Obligation Bond Issuances

DATE: September 26, 2019

Agenda Item #4 a.-e.

For discussion and possible action – Approval of the issuance of general obligation bonds by the State of Nevada; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters.

- a. For possible action – Discussion and possible action on a resolution designated the "**2019A Capital Improvement and Refunding Bond Resolution**"; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A, in the aggregate principal amount not to exceed \$178,000,000.
- b. For possible action – Discussion and possible action on a resolution designated the "**2019B Natural Resources Bond Resolution**"; authorizing the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B, in the aggregate principal amount not to exceed \$5,500,000.
- c. For possible action – Discussion and possible action on a resolution designated the "**2019C Revolving Fund Matching Approval Resolution**"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C, in the aggregate principal amount not to exceed \$5,800,000.
- d. For possible action – Discussion and possible action on a resolution designated the "**2019D Revolving Fund Matching Approval Resolution**"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D, in the aggregate principal amount not to exceed \$6,000,000.

CARSON CITY OFFICE

State Treasurer
101 N. Carson Street, Suite 4
Carson City, Nevada 89701-4786
(775) 684-5600 Telephone
(775) 684-5623 Fax

STATE TREASURER PROGRAMS

Guinn Millennium Scholarship Program
Nevada Prepaid Tuition Program
Nevada College Savings Plans
Nevada College Kick Start Program
Unclaimed Property

LAS VEGAS OFFICE

State Treasurer
555 E. Washington Avenue, Suite 4600
Las Vegas, Nevada 89101-1074
(702) 486-2025 Telephone
(702) 486-3246 Fax

- e. For possible action – Discussion and possible action on a resolution designated the **"2019E Revolving Fund Leveraged Approval Resolution"**; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E, in the aggregate principal amount not to exceed \$30,000,000.

Summary: NRS 349.071 states the State Board of Finance may issue and redeem securities on behalf of the State, when such issue is authorized by law, in the manner provided by the State Securities Law. The Nevada Legislature authorizes certain projects and funding mechanisms for those projects. NRS 349.330 further governs the refunding of State general and special obligation bonds. The State Treasurer's Office, in cooperation with other state agencies which have authority to implement those projects, coordinates the timing, rating agency presentations, and professional services necessary to issue securities on behalf of the State.

Pursuant to NRS 349.255, prior to the issuance by the State Treasurer, a resolution describing the authority to issue and/or refund prior securities issuances must be approved by the State Board of Finance. Refundings will be made under the same authority and parameters (i.e., term) as the original sale of bonds (NRS 349.071).

The division of bonds into different series is determined by the State's bond counsel based upon whether the debt is subject to the State's debt limit, exempt from the State's debt limit and the debt's revenue stream utilized to pay the debt.

The proposed series of bonds (five (5) series) to be included in the fall 2019 bond sale are all authorized by law and as applicable, conform to the parameters of the State's Constitutional Debt Limit and the General Obligation Debt Capacity and Affordability Report (2019-2021 Biennium). The tentative schedule for the sale is: (1) State Board of Finance approval on October 8, 2019; (2) bond sale on November 19, 2019; and (3) bond closing and receipt of proceeds on December 10, 2019.

Issuance Details: Agenda item #4.a. through 4.e. encompasses the State's next proposed bond issuance. The issuance is comprised of five (5) series of "New Money" bonds, with Series 2019A having an additional refunding component. If approved by the State Board of Finance, the five (5) series would be issued to finance the following projects:

- **Agenda Item 4.a.: 2019A** – The Department of Administration will expend the bond proceeds on multiple projects within the Public Works Division's 2017 and 2019 Legislatively approved Capital Improvement Projects bill(s). **The total maximum par for this series is \$178,000,000.**
 - Section 6 of the 2017 Capital Improvement Projects (CIP) Bill (SB546) authorized not more than \$117,912,005 in maximum par for capital improvement projects. Public Works estimates \$26,600,000 in proceeds is required to complete the 2017 CIP projects.

- Section 8(1) of the 2017 CIP Bill (SB546) authorized not more than \$42,016,797 for the purpose of financing project 17-Co4, construction of the South Reno Department of Motor Vehicles Service Office. Public Works estimates \$10,500,000 in proceeds is required to complete the project.
- Section 10(1) of the 2017 CIP Bill (SB546) authorized not more than \$41,500,000 in maximum par for the purpose of financing project 17-Co6, construction of the new Engineering Building, University of Nevada, Reno. Public Works estimates \$16,200,000 in proceeds is required to complete the project.
- Section 6 of the most recent CIP Bill (AB541) authorized \$186,000,000 in maximum par to carry out various capital improvement projects. Public Works estimates \$58,000,000 in proceeds is required to match projected expenditures for the next 12 – 18 months.
- Section 8(1) of the most recent CIP Bill (AB541) authorized \$5,344,346 in maximum par for the purpose of financing project 19-Co1, completion of the South Reno Department of Motor Vehicles Service Office. Public Works estimates \$5,300,000 in proceeds is required to complete the project.
- 2019A series includes two refundings:
 - 2009A CIP Build America Bonds includes \$51,120,000 in par and 2009B CIP, Cultural Affairs, and Refunding Bonds includes \$1,935,000 in par.

Attachment A – reflects the aggregate par amounts for the 2009A CIP Build America Bonds and 2009B CIP and Refunding Bonds and the corresponding net present value of ~3% or greater we currently expect to achieve. By authorizing these maturities now, the Treasurer's Office is given the flexibility to evaluate and pursue refundings of bonds at this sale and/or pursue an additional sale. Municipal bond rates continue to be attractive for certain refunding candidates. By the State Board of Finance authorizing the 2009A and 2009B refunding candidates, the State can act quickly should rates hold steady or improve for these refunding opportunities; once again realizing significant savings on its current debt. The refunding savings reflected in this proposed issuance are based upon the current interest rate environment. Continued volatility in the capital markets could increase and/or reduce these proposed savings.

- **Agenda Item 4.b: 2019B** - The Department of Conservation and Natural Resources will expend bond proceeds on multiple projects within the Division of State Lands and the Division of Environmental Protection. **The total maximum par for this series is \$5,500,000**

- SB438 in the 2011 Legislative Session authorized \$12,000,000 in maximum par to carry out certain environmental improvement projects included in the Environmental Improvement Program (EIP) for the Lake Tahoe Basin as provided in the Tahoe Project Act. The Division of State Lands estimates \$4,000,000 in proceeds is required to complete the EIP projects.
- NRS 349.986 authorizes \$125,000,000 in maximum par to provide grants for water conservation and capital improvement to certain water systems. The Division of Environmental Protection estimates \$1,500,000 in proceeds to implement projects over the next 12 – 18 months.
- **Agenda Item 4.c: 2019C** - Per NRS 445A.290, up to \$5,800,000 in par to provide State matching funds for the federal grant as required by the Safe Drinking Water Act.

Attachment B- per NRS 445A.290, is the Division of Environmental Protection's Administrator's authorization to the State Treasurer to issue general obligation bonds secured by pledged revenues to provide money from the State to match the federal grant as required by the Safe Drinking Water Act.

- **Agenda Item 4.d: 2019D** - Per NRS 445A.155(1), up to \$6,000,000 in par to provide State matching funds for the federal grant as required by the Federal Water Pollution Control Act. The State Board of Finance must certify that sufficient revenue will be available in the Account to pay the interest and installments of principal as they become due.

Attachment C- per NRS 445A.155, is the Division of Environmental Protection's Administrator's letter to the Director of the Governor's Finance Office with authorization from the Director of the Department of Conservation and Natural Resources to authorize the State Treasurer to issue general obligation bonds in the amount of \$6,000,000 to match the anticipated \$30,000,000 in expected grants from the Environmental Protection Agency over the next three years.

- **Agenda Item 4.e: 2019E** - Per NRS 445A.155(1), up to \$30,000,000 in par to leverage the Clean Water State Revolving Fund (CWSRF) loan principal and interest revenues to fund CWSRF loans in the next 12 - 18 months. The State Board of Finance must certify that sufficient revenue will be available in the Account to pay the interest and installments of principal as they become due.

Attachment C - per NRS 445A.155, is the Division of Environmental Protection's Administrator's letter to the Director of the Governor's Finance Office with authorization from the Director of the Department of Conservation and Natural Resources to authorize the State Treasurer to issue general obligation bonds in the amount of \$30,000,000 to leverage the program in order to provide funding to projected projects.

ATTACHMENT A

Proposed Refunding Bonds-As of September 11, 2019

Series	Term (Years)	Refunding Par to be Authorized	Est. Issuance Par	Est. PV Savings-% of Refunded Par	Est. PV Savings
2009A CIP Build America Bonds	9.5	\$ 50,120,000	\$ 42,730,000	11.55%	\$ 5,790,087
2009B CIP, HP, and RFDG Bonds	9.5	\$ 1,935,000	\$ 1,650,000	16.90%	\$ 327,018
					\$ 6,117,105

Source: State of Nevada Treasurer's Office.

ATTACHMENT B
Department of Conservation and Natural Resources
Division of Environmental Protection

Letter to Treasurer Conine Requesting Bond Issuance

Source: Department of Conservation and Natural Resources, Division of Environmental Protection



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

STATE OF NEVADA
Department of Conservation & Natural Resources

Steve Sisolak, Governor
Bradley Crowell, Director
Greg Lovato, Administrator

July 1, 2019

Zach Conine
Nevada State Treasurer
101 North Carson Street Suite 4
Carson City, Nevada 89701

Re: Proposed Bond for the Drinking Water State Revolving Fund Program

Dear Treasurer Conine:

The Nevada Department of Conservation and Natural Resources, through its Division of Environmental Protection (NDEP), manages Nevada's Drinking Water State Revolving Fund (DWSRF) in accordance with NRS 445A.200 through 445A.295. Similar to all other states, Nevada deposits a combination of annual federal capitalization grants and periodic matching funds to the DWSRF to provide financial assistance to drinking water systems and to support other drinking water programs.


In accordance with NRS 445A.290, NDEP's Administrator may request that the State Treasurer issue bonds to match federal DWSRF capitalization. In conjunction with other bond issues, the State Treasurer issues DWSRF match bonds as general obligations of the State of Nevada with the DWSRF series repaid by DWSRF loan interest payments and earnings.

NDEP is requesting enough proceeds to match 20% of our expected \$29,000,000 in federal grants, totaling \$5,800,000, along with bond issuance costs estimated at \$87,000. The final amount and structure of the bond and cost of issuance will be determined closer to the sale date.

Attached is a financial model, which demonstrates the DWSRF's ability to pay the debt service on the proposed bonds, as well as the existing bonds of the Program. Additionally, a list of current borrowers and their credit ratings, along with pending loan applicants, are included. If you have any questions please contact: Jason B. Cooper, CGFM, Administrative Services Officer 3, Office of Financial Assistance at 901 S. Stewart Street, Suite 4001, Carson City, NV 89701. His phone number is 775.687.9531. His email is: j.cooper@ndep.nv.gov.

We appreciate your assistance on behalf of Nevada's DWSRF and the communities, water systems, and users/rate payers which benefit from the financing provided by Nevada's DWSRF.

Respectfully,


Greg Lovato, Administrator
Nevada Division of Environmental Protection

Attachments

Table 2

STATE OF NEVADA SAFE DRINKING WATER REVOLVING FUND
Schedule of Loans
As of July 1, 2019

Local Entity	Year Loan Made	Loan Outstanding Balance	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Big Bend Water District	2003	\$ 1,362,585.66	GO/Revenue		
Big Bend Water District	2004	\$ 1,125,343.56	GO/Revenue	\$ 2,487,929.22	1.58%
Carson City, City of	2009	\$ 1,837,837.81	GO/Revenue		
Carson City, City of	2010	\$ 15,213,412.41	GO/Revenue		
Carson City, City of	2018	\$ 10,198,745.40	GO/Revenue		
Carson City, City of	2014	\$ 5,160,857.56	GO/Revenue	\$ 32,410,853.18	20.55%
Carver's Smokey Valley RV	2009	\$ 44,444.41	Private Company	\$ 44,444.41	0.03%
Country Terrace, LLC	2002	\$ 92,724.67	Private Company	\$ 92,724.67	0.06%
Douglas County	2005	\$ 277,702.28	GO/Revenue		
Douglas County	2009	\$ 1,495,096.88	GO/Revenue		
Douglas County	2010	\$ 710,537.43	GO/Revenue		
Douglas County	2011	\$ 702,858.72	GO/Revenue		
Douglas County	2012	\$ 830,653.42	GO/Revenue		
Douglas County	2014	\$ 791,497.74	GO/Revenue	\$ 4,808,346.47	3.05%
Dutchman Acres	2010	\$ 30,811.91	Private Company	\$ 30,811.91	0.02%
Fallon, City of	2002	\$ 654,851.00	GO/Revenue		
Fallon, City of	2007	\$ 820,323.00	GO/Revenue	\$ 1,475,174.00	0.94%
IGWT Investments -Frontier	2011	\$ 196,913.08	Private Company	\$ 196,913.08	0.12%
Gardnerville Ranchos GID	2000	\$ 864,049.94	Revenue		
Gardnerville Ranchos GID	2003	\$ 440,224.92	Revenue	\$ 1,304,274.86	0.83%
Gold Country Water Company	2008	\$ 224,438.15	Private Company		
Gold Country Water Company	2011	\$ 492,122.44	Private Company	\$ 716,560.59	0.45%
Henderson, City of	2000	\$ 1,270,163.23	GO/Revenue	\$ 1,270,163.23	0.81%
Incline Village GID	2004	\$ 618,227.47	GO/Revenue		
Incline Village GID	2012	\$ 2,078,872.29	GO/Revenue	\$ 2,697,099.76	1.71%
Indian Hills GID	2000	\$ 161,326.77	Revenue		
Indian Hills GID	2003	\$ 684,171.79	Revenue		
Indian Hills GID	2010	\$ 768,858.37	GO/Revenue	\$ 1,614,356.93	1.02%
Kingsbury GID	2003	\$ 1,039,510.51	GO/Revenue		
Kingsbury GID	2007	\$ 1,673,176.83	GO/Revenue		
Kingsbury GID	2010	\$ 1,992,969.63	GO/Revenue		
Kingsbury GID	2012	\$ 8,543,779.09	GO/Revenue		
Kingsbury GID	2015	\$ 5,063,528.46	GO/Revenue	\$ 18,312,964.52	11.61%
Lamoille Water Users, Inc.	2008	\$ 462,721.72	Private Company	\$ 462,721.72	0.29%
Las Vegas Valley Water District	2015	\$ 18,002,622.48	Revenue		
Las Vegas Valley Water District	2016	\$ 10,726,839.51	Revenue		
Las Vegas Valley Water District	2017	\$ 11,074,794.99	Revenue	\$ 39,804,256.98	25.23%
Lovelock Meadows Water District	2017	\$ 4,137,735.15	GO/Revenue	\$ 4,137,735.15	2.62%
Moapa Valley Water District	2017	\$ 2,529,860.91	GO/Revenue		
Moapa Valley Water District	2008	\$ 818,857.62	GO/Revenue	\$ 3,348,718.53	2.12%
North Las Vegas, City of	2017	\$ 693,726.90	GO/Revenue		
North Las Vegas, City of	2018	\$ 582,833.80	GO/Revenue	\$ 1,276,560.70	0.81%
Riverbelle MHP	2019	\$ 140,864.00	Private Company	\$ 140,864.00	0.09%
Round Hill GID	2006	\$ 280,390.15	GO/Revenue		
Round Hill GID	2011	\$ 578,435.88	GO/Revenue	\$ 858,826.03	0.54%
Sierra Estates GID	2008	\$ 124,667.26	GO/Revenue	\$ 124,667.26	0.08%
Silver Knolls Mutual Water Co.	2000	\$ 16,741.23	Private Company	\$ 16,741.23	0.01%

Table 2

STATE OF NEVADA SAFE DRINKING WATER REVOLVING FUND
Schedule of Loans
As of July 1, 2019

Local Entity	Year Loan Made	Loan Outstanding Balance	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Southern Nevada Water Authority	1999	\$ 843,749.95	Revenue		
Southern Nevada Water Authority	2001	\$ 1,655,452.69	Revenue		
Southern Nevada Water Authority	2009	\$ 1,265,404.00	Revenue	\$ 3,764,606.64	2.39%
Steamboat Springs Water Works	2013	\$ 28,360.63	Private Company	\$ 28,360.63	0.02%
Sun Valley GID	2014	\$ 3,785,997.83	GO/Revenue		
Sun Valley GID	2014	\$ 1,772,637.37	GO/Revenue	\$ 5,558,635.20	3.52%
Topaz Lake Water Co.	2009	\$ 443,327.20	Private Company	\$ 443,327.20	0.28%
Topaz Ranch Estates	2016	\$ 344,598.84	Revenue	\$ 344,598.84	0.22%
Truckee Meadows Water Authority	2005	\$ 1,685,216.92	Revenue		
Truckee Meadows Water Authority	2009	\$ 1,236,687.16	Revenue		
Truckee Meadows Water Authority	2010	\$ 2,982,138.80	Revenue		
Truckee Meadows Water Authority	2014	\$ 5,103,117.48	Revenue		
Truckee Meadows Water Authority	2015	\$ 7,995,589.75	Revenue	\$ 19,002,750.11	12.05%
Virgin Valley Water District	2015	\$ 10,959,400.00	GO/Revenue	\$ 10,959,400.00	6.95%
Total*		\$ 157,735,387.05			100.00%
		90,495,931.62	GO/Revenue		
		65,065,985.99	Revenue		
		2,173,469.44	Private Company		

*Totals may not add exactly due to rounding

Drinking Water SRF Loans FY2019	As of July 1, 2019	% of Total Debt Outstanding	Debt Type	Current Ratio	Current Debt Service Ratio	Operating Ratio Before Depreciation	S&P Rating	Moody's Rating
Las Vegas Valley Water District	39,804,256.98	25.23%	Revenue	1.57	2.24	0.69	AA+ / Stable	Aa1 / Stable
Carson City City of	32,410,853.18	20.55%	GO/Revenue	2.08	1.52	0.50	AA-/Positive	A1 / Stable
Truckee Meadows Water Authority	19,002,750.11	12.05%	Revenue	2.78	1.17	0.56	AA+ / Stable	Aa2 / Stable
Kingsbury GID	18,312,964.52	11.61%	GO/Revenue	2.52	2.23	0.36	None Issued	None Issued
Virgin Valley Water District	10,959,400.00	6.95%	GO/Revenue	6.13	2.54	0.49	None Issued	A1 / Stable
Sun Valley General Improvement District	5,568,635.20	3.52%	GO/Revenue	4.83	2.08	0.73	None Issued	None Issued
Douglas County	4,808,346.47	3.05%	GO/Revenue	5.58	2.54	0.84	AA / Stable	WR / No Outlook
Lovelock Meadows Water District	4,137,735.15	2.62%	GO/Revenue	12.26	6.92	0.58	None Issued	None Issued
Southern Nevada Water Authority	3,764,606.64	2.39%	GO/Revenue	1.75	1.44	1.19	AA / Stable	Aa1 / Stable
Moapa Valley Water District	3,348,718.53	2.12%	GO/Revenue	5.68	0.47	0.70	None Issued	None Issued
All Other Loans	15,627,120.27	9.91%						
Total	157,735,387.05	100.00%						

DRINKING WATER CASH ALLOCATION
AS OF: 6/28/2019

GRANTS				Balance	
		Debit	Credit		
Grants for Projects	3581	183,991,989.90			
Principal Forgiveness Disbursements	75 & 8826		21,953,255.23		
Private Disbursements	8750		2,589,048.41		
Non-profit	8780		748,012.37		
Grant Disbursements	9733		158,701,673.89		
		<u>183,991,989.90</u>	<u>183,991,989.90</u>	-	-

BONDS					
		Match	Leverage	Cummulative	
Bond proceeds	4666/4905	46,511,949.02		46,511,949.02	
Bond Escrow Refunds	4911	2.98		2.98	
Interest on Bond Proceeds	4326	14,767.31		14,767.31	
Transfer for Bond Proceeds	9095	-		-	
Miscellaneous Adjustments	MISC	56.81		56.81	
Bond Disbursements	8575/973	(46,526,776.12)		(46,526,776.12)	
		<u>-</u>	<u>-</u>	<u>-</u>	-

TREASURER'S INTEREST					
		Debit	Credit		
Treasurer's Interest	4326	6,223,711.07			
IRS Refund-Arbitrage paid from TINT	4203	8,487.00			
Treasurer's Interest Disbursements	9733		925,011.88		
		<u>6,232,198.07</u>	<u>925,011.88</u>	<u>5,307,186.19</u>	5,307,186.19 ✓

RELOAN PRINCIPAL					
		Debit	Credit		
Loan Principal	4433	91,022,823.00			
Loan Principal-Private	4434	283,787.53			
Reloan Disbursements	9733		49,864,552.92		
Bond Principal Paid (leverage)	7832				
		<u>91,306,610.53</u>	<u>49,864,552.92</u>	<u>41,442,057.61</u>	41,442,057.61 ✓

RELOAN INTEREST					
		Debit	Credit		
Loan Interest	4339	43,546,319.98			
Bond Principal Paid (match)	7832		28,920,000.00		
Bond Interest Paid (match)	7833		11,371,549.45		
Bond Interest Paid (leverage)	7833				
Miscellaneous Adjustments	MISC	15,098.94	9,987.00		
		<u>43,561,418.92</u>	<u>40,301,536.45</u>	<u>3,259,882.47</u>	3,259,882.47 ✓

TOTAL RELOAN				<u>44,701,940.08</u>	
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Revenues available for debt service	8,567,068.66 [A] ✓	Sum	50,009,126.27
Cash Reserves	41,442,057.61	3211 DAWN	50,009,126.27
Total Cash Available	50,009,126.27	7011 DAWN	-
		Variance	-

AS OF: 6/28/2019

DWSRF OPEN AND PENDING LOANS

Uses of Program Funds

Disbursement Status	Commitment Date	Loan Execution Date	Maturity Date	Project Number	Orig-Sub	Interest	Party	Undisbursed Balance to repayable loans	Undisbursed balance to principal forgiveness loans	Grant funds only (private borrower)
								A	B	C
Ongoing	26-Oct-16	22-Feb-17	PF	DW1705	AL3D-PF	0.00%	Alamo Sewer and Water GID		3,000.00	
Ongoing	08-Mar-18	30-Apr-18	PF	DW1810	AU3D-PF	0.00%	Austin-Lander County		10,480.00	
Ongoing	26-Oct-16	12-Apr-17	PF	DW1704	CA1D-PF	0.00%	Carlin, City of		17,262.54	
Ongoing	04-May-16	24-Jun-16	PF	DW1606	ESPI-PF	0.00%	Esmeralda County-Silver Peak		86,582.85	
Ongoing	08-Mar-18	16-Apr-18	PF	DW1811	ESP2-PF	0.00%	Esmeralda County-Silver Peak		369,858.00	
Ongoing	26-Oct-16	16-Dec-16	PF	DW1706	HA1D-PF	0.00%	Hawthorne Utilities		5,057.50	
Pending	08-Mar-18	15-May-18	PF	DW1812	K06D-PF	0.00%	Kingsbury GID		100,000.00	
Ongoing	02-Dec-15	15-Sep-16	01-Jul-36	DW1702	LY2D	1.78%	Las Vegas Valley Water District	4,273,160.49		
Ongoing	01-Feb-17	03-May-17	01-Jan-37	DW1709	LV3D	2.41%	Las Vegas Valley Water District	3,925,205.01		
Ongoing	08-Nov-17	10-Jan-18	01-Jan-38	DW1804	NL2D	2.13%	North Las Vegas	10,866,273.10		
Pending	20-Jun-18	22-Oct-18	PF	DW1903	TM7D-PF	0.00%	TMWA (Old 40 West Motel)		100,000.00	
Ongoing	20-Jun-18	21-Aug-18	01-Jul-38	DW1902	NL3D	2.59%	North Las Vegas, City of	23,117,166.20		
Ongoing	08-Nov-17	21-Dec-18	PF	DW1906	BB3D-PF	0.00%	LYVWD (Big Bend)		500,000.00	
Ongoing	19-Feb-14	19-Feb-14	PF	DW1408	SK3D-PF	0.00%	Silver Knolls Mutual Water Co.		32,176.77	Grant funds only
Ongoing	08-Nov-17	29-Dec-17	PF	DW1806	TN3D-PF	0.00%	Tonopah		167,313.50	
Ongoing	08-Nov-17	05-Feb-19	01-Jan-39	DW1904	RB1D	2.86%	Riverbelle Mobile Home Park	202,699.00		Grant funds only
Ongoing	09-Sep-14	18-Jul-16	PF	DW1507	TC1D-PF	0.00%	Trout Canyon Land and Water Users Assoc.		10,961.50	Grant funds only
Pending	17-Apr-19		PF	DW1909	MC3D-PF	0.00%	Humboldt County (McDermitt)		568,800.00	
Pending	17-Apr-19		PF	DW1907	MR2D-PF	0.00%	Mount Rose Bowl POWC		500,000.00	Grant funds only
Pending	17-Apr-19		PF	DW1910	HC1D-PF	0.00%	Humboldt County (Star City)		575,000.00	
Pending	17-Apr-19		19 year	DW1908	WW1D	TBD	West Wendover, City of	2,200,000.00		
Pending	25-Jun-19		PF	DW1911	SP2D-PF	0.00%	Silver Springs Mutual Water Company		279,270.00	Grant funds only
Pending	25-Jun-19		PF	DW1914	WS1D-PF	0.00%	Washoe County School District (Verdi)		500,000.00	
Pending	25-Jun-19		PF	DW1912	BT1D-PF	0.00%	Beatty Water and Sanitation District		85,000.00	
Pending	25-Jun-19		PF	DW1913	BT2D-PF	0.00%	Beatty Water and Sanitation District		475,000.00	
Undisbursed Balance by loan type								44,584,503.80	4,385,762.66	
Total Undisbursed Balance								\$48,970,266.46		

Sources of Program Funds

Grants	✓ 11,464,298.01
Bonds	✓ 5,800,000.00
Repayments	✓ 31,705,968.45
Total Sources	✓ 48,970,266.46

A Balance owed to borrowers with traditional 20 year terms.**B** Balance owed to principal forgiveness (PF) borrowers. Principal and interest is forgiven.**C** Undisbursed balances to borrowers can be from any program source (i.g. grants, bonds, repayments, interest) unless borrower is a private entity.

DRINKING WATER SRF DEBT COVERAGE
Debt Service

AS OF: 6/28/2019

6/28/2019

FISCAL YEAR	DEBT SERVICE	Current Match Debt Service			Forecasted Match Bond		
		PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE
2020	AUG	2,655,000.00	284,300.00	2,939,300.00			-
2020	FEB		249,350.00	249,350.00	\$0.00	\$72,500.00	72,500.00
2021	AUG	1,620,000.00	249,350.00	1,869,350.00	\$1,160,000.00	145,000.00	1,305,000.00
2021	FEB		225,087.50	225,087.50	\$0.00	116,000.00	116,000.00
2022	AUG	1,355,000.00	225,087.50	1,580,087.50	\$1,160,000.00	116,000.00	1,276,000.00
2022	FEB		201,825.00	201,825.00	\$0.00	87,000.00	87,000.00
2023	AUG	1,375,000.00	201,825.00	1,576,825.00	\$1,160,000.00	87,000.00	1,247,000.00
2023	FEB		178,112.50	178,112.50	\$0.00	58,000.00	58,000.00
2024	AUG	1,385,000.00	178,112.50	1,563,112.50	\$1,160,000.00	58,000.00	1,218,000.00
2024	FEB		154,112.50	154,112.50	\$0.00	29,000.00	29,000.00
2025	AUG	1,410,000.00	154,112.50	1,564,112.50	\$1,160,000.00	29,000.00	1,189,000.00
2025	FEB		127,962.50	127,962.50	\$0.00	-	-
2026	AUG	1,435,000.00	127,962.50	1,562,962.50	\$0.00	-	-
2026	FEB		101,300.00	101,300.00	\$0.00	-	-
2027	AUG	950,000.00	101,300.00	1,051,300.00	\$0.00	-	-
2027	FEB		83,950.00	83,950.00	\$0.00	-	-
2028	AUG	710,000.00	83,950.00	793,950.00	\$0.00	-	-
2028	FEB		70,200.00	70,200.00	\$0.00	-	-
2029	AUG	705,000.00	70,200.00	775,200.00	\$0.00	-	-
2029	FEB		59,625.00	59,625.00	\$0.00	-	-
2030	AUG	705,000.00	59,625.00	764,625.00	\$0.00	-	-
2030	FEB		49,050.00	49,050.00	\$0.00	-	-
2031	AUG	700,000.00	49,050.00	749,050.00	\$0.00	-	-
2031	FEB		38,550.00	38,550.00	\$0.00	-	-
2032	AUG	695,000.00	38,550.00	733,550.00	\$0.00	-	-
2032	FEB		28,125.00	28,125.00	\$0.00	-	-
2033	AUG	310,000.00	28,125.00	338,125.00	\$0.00	-	-
2033	FEB		23,475.00	23,475.00	\$0.00	-	-
2034	AUG	310,000.00	23,475.00	333,475.00	\$0.00	-	-
2034	FEB		18,825.00	18,825.00	\$0.00	-	-
2035	AUG	310,000.00	18,825.00	328,825.00	\$0.00	-	-
2035	FEB		14,175.00	14,175.00	\$0.00	-	-
2036	AUG	315,000.00	14,175.00	329,175.00	\$0.00	-	-
2036	FEB		9,450.00	9,450.00	\$0.00	-	-
2037	AUG	315,000.00	9,450.00	324,450.00	\$0.00	-	-
2037	FEB		4,725.00	4,725.00	\$0.00	-	-
2038	AUG	315,000.00	4,725.00	319,725.00	\$0.00	-	-
2038	FEB		-	-	\$0.00	-	-
2039	AUG		-	-	\$0.00	-	-
2042	FEB		-	-	\$0.00	-	-
Check Line		17,575,000.00	3,560,100.00	21,135,100.00	5,800,000.00	797,500.00	6,597,500.00

DRINKING WATER SRF DEBT COVERAGE

Debt Service

AS OF: 6/28/2019

FISCAL YEAR	DEBT SERVICE	Total Match Debt Service (Including forecast)		
		PRINCIPAL	INTEREST	TOTAL DEBT SERVICE
2020	AUG	2,655,000.00	284,300.00	2,939,300.00
2020	FEB	-	321,850.00	321,850.00
2021	AUG	2,780,000.00	394,350.00	3,174,350.00
2021	FEB	-	341,087.50	341,087.50
2022	AUG	2,515,000.00	341,087.50	2,856,087.50
2022	FEB	-	288,825.00	288,825.00
2023	AUG	2,535,000.00	288,825.00	2,823,825.00
2023	FEB	-	236,112.50	236,112.50
2024	AUG	2,545,000.00	236,112.50	2,781,112.50
2024	FEB	-	183,112.50	183,112.50
2025	AUG	2,570,000.00	183,112.50	2,753,112.50
2025	FEB	-	127,962.50	127,962.50
2026	AUG	1,435,000.00	127,962.50	1,562,962.50
2026	FEB	-	101,300.00	101,300.00
2027	AUG	950,000.00	101,300.00	1,051,300.00
2027	FEB	-	83,950.00	83,950.00
2028	AUG	710,000.00	83,950.00	793,950.00
2028	FEB	-	70,200.00	70,200.00
2029	AUG	705,000.00	70,200.00	775,200.00
2029	FEB	-	59,625.00	59,625.00
2030	AUG	705,000.00	59,625.00	764,625.00
2030	FEB	-	49,050.00	49,050.00
2031	AUG	700,000.00	49,050.00	749,050.00
2031	FEB	-	38,550.00	38,550.00
2032	AUG	695,000.00	38,550.00	733,550.00
2032	FEB	-	28,125.00	28,125.00
2033	AUG	310,000.00	28,125.00	338,125.00
2033	FEB	-	23,475.00	23,475.00
2034	AUG	310,000.00	23,475.00	333,475.00
2034	FEB	-	18,825.00	18,825.00
2035	AUG	310,000.00	18,825.00	328,825.00
2035	FEB	-	14,175.00	14,175.00
2036	AUG	315,000.00	14,175.00	329,175.00
2036	FEB	-	9,450.00	9,450.00
2037	AUG	315,000.00	9,450.00	324,450.00
2037	FEB	-	4,725.00	4,725.00
2038	AUG	315,000.00	4,725.00	319,725.00
2038	FEB	-	-	-
2039	AUG	-	-	-
2042	FEB	-	-	-
Check Line		23,375,000.00	4,357,600.00	27,732,600.00

DRINKING WATER SRF DEBT COVERAGE
Loans Receivable Forecast

AS OF: 6/28/2019

FISCAL YEAR	DEBT SERVICE	Loans In Repayment			Adjustments for Defaulted Loans		
		PRINCIPAL REPAID	INTEREST REPAID	TOTAL REVENUES	PRINCIPAL REPAID	INTEREST REPAID	TOTAL REVENUES
2020	AUG	5,920,972.10	2,055,659.97	7,976,632.07	(53,775.49)	(26,200.85)	(79,976.34)
2020	FEB	6,219,218.41	1,973,777.82	8,192,996.23	(5,138.75)	(1,834.73)	(6,973.48)
2021	AUG	6,409,757.13	1,889,787.25	8,299,544.38	(5,204.01)	(1,769.47)	(6,973.48)
2021	FEB	6,490,644.28	1,805,115.53	8,295,759.81	(5,270.10)	(1,703.38)	(6,973.48)
2022	AUG	6,571,837.33	1,719,306.56	8,291,143.89	(5,337.03)	(1,636.45)	(6,973.48)
2022	FEB	6,302,133.10	1,632,353.72	7,934,486.82	(5,404.81)	(1,568.67)	(6,973.48)
2023	AUG	6,384,576.22	1,550,347.85	7,934,924.07	(5,473.45)	(1,500.03)	(6,973.48)
2023	FEB	6,463,938.20	1,467,203.08	7,931,141.28	(5,542.96)	(1,430.52)	(6,973.48)
2024	AUG	6,193,740.79	1,382,961.01	7,576,701.80	(5,613.36)	(1,360.12)	(6,973.48)
2024	FEB	6,117,161.80	1,303,657.69	7,420,819.49	(5,684.65)	(1,288.83)	(6,973.48)
2025	AUG	6,189,476.08	1,226,250.40	7,415,726.48	(5,756.85)	(1,216.64)	(6,973.49)
2025	FEB	6,141,393.02	1,147,876.46	7,289,269.48	(5,829.96)	(1,143.52)	(6,973.48)
2026	AUG	5,362,763.07	1,070,470.18	6,433,233.25	(5,904.00)	(1,069.48)	(6,973.48)
2026	FEB	5,283,477.84	1,004,828.30	6,288,306.14	(5,978.98)	(994.50)	(6,973.48)
2027	AUG	4,968,597.69	940,300.12	5,908,897.81	(6,054.91)	(918.57)	(6,973.48)
2027	FEB	5,002,689.35	880,081.31	5,882,770.66	(6,131.81)	(841.67)	(6,973.48)
2028	AUG	5,002,758.80	819,467.83	5,822,226.63	(6,209.68)	(763.80)	(6,973.48)
2028	FEB	4,941,393.36	758,757.69	5,700,151.05	(6,288.55)	(684.94)	(6,973.49)
2029	AUG	4,942,571.95	699,067.85	5,641,639.80	(6,368.41)	(605.07)	(6,973.48)
2029	FEB	4,864,829.16	639,424.23	5,504,253.39	(6,449.29)	(524.19)	(6,973.48)
2030	AUG	4,802,446.54	580,868.37	5,383,314.91	(6,531.19)	(442.29)	(6,973.48)
2030	FEB	4,614,561.57	523,507.66	5,138,069.23	(6,614.14)	(359.34)	(6,973.48)
2031	AUG	4,350,463.86	465,472.14	4,815,936.00	(6,698.14)	(275.34)	(6,973.48)
2031	FEB	3,563,565.56	411,633.23	3,975,198.79	(6,783.21)	(190.27)	(6,973.48)
2032	AUG	3,542,460.05	367,771.88	3,910,231.93	(6,869.35)	(104.13)	(6,973.48)
2032	FEB	3,546,160.08	324,455.11	3,870,615.19	-	-	-
2033	AUG	2,612,275.33	281,188.07	2,893,463.40	-	-	-
2033	FEB	2,603,051.28	248,954.94	2,852,006.22	-	-	-
2034	AUG	2,595,051.49	216,842.74	2,811,894.23	-	-	-
2034	FEB	2,623,222.01	184,808.43	2,808,030.44	-	-	-
2035	AUG	2,434,137.23	152,431.56	2,586,568.79	-	-	-
2035	FEB	1,701,059.02	122,740.41	1,823,799.43	-	-	-
2036	AUG	1,522,629.94	102,488.83	1,625,118.77	-	-	-
2036	FEB	1,229,496.02	84,268.86	1,313,764.88	-	-	-
2037	AUG	1,227,600.84	69,910.81	1,297,511.65	-	-	-
2037	FEB	869,998.14	55,566.20	925,564.34	-	-	-
2038	AUG	877,313.49	44,387.98	921,701.47	-	-	-
2038	FEB	410,553.43	33,122.38	443,675.81	-	-	-
2039	AUG	389,178.21	27,334.24	416,512.45	-	-	-
2039	FEB	370,953.07	21,770.31	392,723.38	-	-	-
2040	AUG	367,157.08	16,442.86	383,599.94	-	-	-
2040	FEB	368,564.85	11,172.12	379,736.97	-	-	-
2041	AUG	115,022.04	5,883.72	120,905.76	-	-	-
2041	FEB	116,465.57	4,440.19	120,905.76	-	-	-
2042	AUG	117,927.21	2,978.55	120,905.76	-	-	-
2042	FEB	119,407.21	1,498.56	120,905.77	-	-	-

Totals	162,864,650.80	30,328,635.00	193,193,285.80	(196,913.08)	(50,426.80)	(247,339.88)
				% of existing Loans in default		
				0.13%		

Existing loan repayment schedule. Includes balances already drawn for open loans.

Frontier Village MHP loan in Default since January 1, 2014. Write off on FY2014 Financial Statements: collection unlikely at this time.

DRINKING WATER SRF DEBT COVERAGE
Loans Receivable Forecast

AS OF: 6/28/2019

FISCAL YEAR	DEBT SERVICE	Forecasted Additional Loans			Total Loan Repayments		
		PRINCIPAL REPAID	INTEREST REPAID	TOTAL REVENUES	PRINCIPAL REPAID	INTEREST REPAID	TOTAL REVENUES
2020	AUG	-	-	-	5,867,196.61	2,029,459.12	7,896,655.73
2020	FEB	227,702.84	262,455.98	490,158.82	6,441,782.50	2,234,399.07	8,676,181.57
2021	AUG	1,028,678.01	482,919.75	1,511,597.76	7,433,231.13	2,370,937.53	9,804,168.66
2021	FEB	1,001,563.54	510,034.22	1,511,597.76	7,486,937.72	2,313,446.37	9,800,384.09
2022	AUG	1,013,325.15	498,272.61	1,511,597.76	7,579,825.45	2,215,942.72	9,795,768.17
2022	FEB	1,025,226.85	486,370.91	1,511,597.76	7,321,955.14	2,117,155.96	9,439,111.10
2023	AUG	1,037,270.31	474,327.45	1,511,597.76	7,416,373.08	2,023,175.27	9,439,548.35
2023	FEB	1,049,457.26	462,140.50	1,511,597.76	7,507,852.50	1,927,913.06	9,435,765.56
2024	AUG	1,061,789.41	449,808.35	1,511,597.76	7,249,916.84	1,831,409.24	9,081,326.08
2024	FEB	1,074,268.53	437,329.23	1,511,597.76	7,185,745.68	1,739,698.09	8,925,443.77
2025	AUG	1,086,896.38	424,701.38	1,511,597.76	7,270,615.61	1,649,735.14	8,920,350.75
2025	FEB	1,099,674.77	411,922.99	1,511,597.76	7,235,237.83	1,558,655.93	8,793,893.76
2026	AUG	1,112,605.48	398,992.28	1,511,597.76	6,469,464.55	1,468,392.98	7,937,857.53
2026	FEB	1,125,690.39	385,907.37	1,511,597.76	6,403,189.25	1,389,741.17	7,792,930.42
2027	AUG	1,138,931.34	372,666.42	1,511,597.76	6,101,474.12	1,312,047.97	7,413,522.09
2027	FEB	1,152,330.22	359,267.54	1,511,597.76	6,148,887.76	1,238,507.18	7,387,394.94
2028	AUG	1,165,888.92	345,708.84	1,511,597.76	6,162,438.04	1,164,412.87	7,326,850.91
2028	FEB	1,179,609.42	331,988.34	1,511,597.76	6,114,714.23	1,090,061.09	7,204,775.32
2029	AUG	1,193,493.62	318,104.14	1,511,597.76	6,129,697.16	1,016,566.92	7,146,264.08
2029	FEB	1,207,543.48	304,054.28	1,511,597.76	6,065,923.35	942,954.32	7,008,877.67
2030	AUG	1,221,761.08	289,836.68	1,511,597.76	6,017,676.43	870,262.76	6,887,939.19
2030	FEB	1,236,148.39	275,449.37	1,511,597.76	5,844,095.82	798,597.69	6,642,693.51
2031	AUG	1,250,707.47	260,890.29	1,511,597.76	5,594,473.19	726,087.09	6,320,560.28
2031	FEB	1,265,440.39	246,157.37	1,511,597.76	4,822,222.74	657,600.33	5,479,823.07
2032	AUG	1,280,349.27	231,248.49	1,511,597.76	4,815,939.97	598,916.24	5,414,856.21
2032	FEB	1,295,436.22	216,161.54	1,511,597.76	4,841,596.30	540,616.65	5,382,212.95
2033	AUG	1,310,703.41	200,894.35	1,511,597.76	3,922,978.74	482,082.42	4,405,061.16
2033	FEB	1,326,152.98	185,444.78	1,511,597.76	3,929,204.26	434,399.72	4,363,603.98
2034	AUG	1,341,787.20	169,810.56	1,511,597.76	3,936,838.69	386,653.30	4,323,491.99
2034	FEB	1,357,608.24	153,989.52	1,511,597.76	3,980,830.25	338,797.95	4,319,628.20
2035	AUG	1,373,618.39	137,979.37	1,511,597.76	3,807,755.62	290,410.93	4,098,166.55
2035	FEB	1,389,819.92	121,777.84	1,511,597.76	3,090,878.94	244,518.25	3,335,397.19
2036	AUG	1,406,215.17	105,382.59	1,511,597.76	2,928,845.11	207,871.42	3,136,716.53
2036	FEB	1,422,806.48	88,791.28	1,511,597.76	2,652,302.50	173,060.14	2,825,362.64
2037	AUG	1,438,382.45	72,001.57	1,510,384.02	2,665,983.29	141,912.38	2,807,895.67
2037	FEB	1,308,744.00	55,021.84	1,363,765.84	2,178,742.14	110,588.04	2,289,330.18
2038	AUG	1,187,256.52	39,146.21	1,226,402.73	2,064,570.01	83,534.19	2,148,104.20
2038	FEB	1,160,218.97	24,731.87	1,184,950.84	1,570,772.40	57,854.25	1,628,626.65
2039	AUG	826,702.33	10,582.59	837,284.92	1,215,880.54	37,916.83	1,253,797.37
2039	FEB	-	-	-	370,953.07	21,770.31	392,723.38
2040	AUG	-	-	-	367,157.08	16,442.86	383,599.94
2040	FEB	-	-	-	368,564.85	11,172.12	379,736.97
2041	AUG	-	-	-	115,022.04	5,883.72	120,905.76
2041	FEB	-	-	-	116,465.57	4,440.19	120,905.76
2042	AUG	-	-	-	117,927.21	2,978.55	120,905.76
2042	FEB	-	-	-	119,407.21	1,498.56	120,905.77

Totals	44,381,804.80	10,602,270.69	54,984,075.49	207,049,542.52	40,880,478.89	247,930,021.41
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See Forecasted Additional Loan Details

Includes existing repayments, less adjustments for defaulted loans, plus forecasted additional loans

Table 1

STATE OF NEVADA DRINKING WATER REVOLVING FUND
Projected Revenues Available for Debt Service
As of June 28, 2019

State Fiscal Year	Beginning cash available for debt service	Earnings and loan interest	Match debt service [A]	Coverage
	A	B	C	(D) = (A+B)/C
2020	8,567,068.66	4,993,505.73	3,261,150.00	4.16
2021	10,299,424.39	5,298,952.15	3,515,437.50	4.44
2022	12,082,939.04	5,124,870.17	3,144,912.50	5.47
2023	14,062,896.71	4,994,514.55	3,059,937.50	6.23
2024	15,997,473.76	4,866,087.48	2,964,225.00	7.04
2025	17,899,336.24	4,748,644.37	2,828,262.50	8.01
2026	19,819,718.11	4,647,161.40	1,664,262.50	14.70
2027	22,802,617.01	4,578,310.42	1,135,250.00	24.12
2028	26,245,677.43	4,519,894.11	864,150.00	35.60
2029	29,901,421.54	4,463,720.90	834,825.00	41.16
2030	33,530,317.44	4,409,566.46	813,675.00	46.63
2031	37,126,208.90	4,353,099.01	787,600.00	52.67
2032	40,691,707.91	4,312,900.20	761,675.00	59.09
2033	44,242,933.11	4,284,232.16	361,600.00	134.20
2034	48,165,565.27	4,270,028.36	352,300.00	148.84
2035	52,083,293.63	4,256,170.78	343,000.00	164.25
2036	55,996,464.41	4,257,871.30	338,625.00	177.94
2037	59,915,710.71	4,270,179.78	329,175.00	194.99
2038	63,856,715.49	4,286,568.74	319,725.00	213.13
		86,936,278.07	27,679,787.50	

[A] Includes the proposed match bond issuance debt service

DRAFT

Borrower Name	2019 Match Bond
First Payment Date	February 1, 2020
Principal Amount	\$5,800,000.00
Interest Rate ^A	5.00%
Estimated Closing Date	November 1, 2019

Issuance Cost 1.5% of Par

Payment	Due Date	Principal	Interest	Total Payment	Remaining Balance
1	2/1/2020		\$72,500.00	\$72,500.00	\$5,800,000.00
2	8/1/2020	\$1,160,000.00	145,000.00	\$1,305,000.00	\$4,640,000.00
3	2/1/2021		116,000.00	\$116,000.00	\$4,640,000.00
4	8/1/2021	\$1,160,000.00	116,000.00	\$1,276,000.00	\$3,480,000.00
5	2/1/2022		87,000.00	\$87,000.00	\$3,480,000.00
6	8/1/2022	\$1,160,000.00	87,000.00	\$1,247,000.00	\$2,320,000.00
7	2/1/2023		58,000.00	\$58,000.00	\$2,320,000.00
8	8/1/2023	\$1,160,000.00	58,000.00	\$1,218,000.00	\$1,160,000.00
9	2/1/2024		29,000.00	\$29,000.00	\$1,160,000.00
10	8/1/2024	\$1,160,000.00	29,000.00	\$1,189,000.00	\$0.00
11	2/1/2025		-	\$0.00	\$0.00
		\$5,800,000.00	\$797,500.00	\$6,597,500.00	\$0.00

First Interest Payment Calculation

Date	Amount	Day count	Interest Amount
11/1/2019	\$5,800,000.00	90	\$72,500.00
			\$72,500.00

Final terms to be determined at closing.

ATTACHMENT C

Department of Conservation and Natural Resources Division of Environmental Protection

Letter to Director of the Governor's Finance Office

Source: Department of Conservation and Natural Resources, Division of Environmental Protection

$$r = 6 \text{ cm}$$

$$r = 6 \text{ cm} \quad \text{and} \quad \theta = 120^\circ \quad \text{and} \quad \phi = 120^\circ \quad \text{and} \quad \psi = 120^\circ$$

$$r = 6 \text{ cm} \quad \text{and} \quad \theta = 120^\circ \quad \text{and} \quad \phi = 120^\circ \quad \text{and} \quad \psi = 120^\circ$$

$$r = 6 \text{ cm} \quad \text{and} \quad \theta = 120^\circ \quad \text{and} \quad \phi = 120^\circ \quad \text{and} \quad \psi = 120^\circ$$

$$r = 6 \text{ cm} \quad \text{and} \quad \theta = 120^\circ \quad \text{and} \quad \phi = 120^\circ \quad \text{and} \quad \psi = 120^\circ$$



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

STATE OF NEVADA
Department of Conservation & Natural Resources

Steve Sisolak, Governor
Bradley Crowell, Director
Greg Lovato, Administrator

July 1, 2019

Susan Brown
Director
Governor's Finance Office
209 East Musser Street, Room 200
Carson City, Nevada 89701

RECEIVED
JUL 1 2019
GOVERNOR'S FINANCE OFFICE
BUDGET DIVISION

RECEIVED
AUG 19 2019
ENVIRONMENTAL PROTECTION

Re: Proposed Bonds for the Clean Water State Revolving Fund Program

Dear Ms. Brown:

The State of Nevada Division of Environmental Protection, Clean Water State Revolving Loan Fund must obtain approval from the Governor's Office of Finance before the State Treasurer can issue General Obligation Bonds of the State (NRS 445A.155).

The Clean Water State Revolving Loan Fund provides loans to publically owned wastewater systems. The program is also able to fund projects that mitigate and control non-point source water pollution and storm water. Your approval is required before authorization of the State Treasurer to issue a State of Nevada General Obligation Water Pollution Control Revolving Fund Bonds.

The program is seeking two bond issuances this fall:

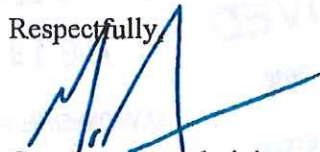
- 1) \$6,000,000 to match the anticipated \$30,000,000 in expected grants from the Environmental Protection Agency over the next three years. The programs match requirement is 20% of the awarded grant.
 - 2) \$30,000,000 to leverage the program in order to provide funding to projected projects.
- An attached project sheet is included with this letter for your review.

For the purpose of the State's affordability model, the bonds are considered self-supporting and paid with the pledged revenue of the State Revolving Fund loan repayments. It is not part of the affordability study. The projected debt service and coverage calculations are attached to this letter demonstrating the program is capable of meeting this requirement. These projected coverage calculations include both the match and leverage issuance requested. Additionally, a list of current borrowers and their credit ratings, along with pending loan applicants, are attached.

If you have any questions please contact: Jason B. Cooper, CGFM, Administrative Services Officer 3, Office of Financial Assistance at 901 S. Stewart Street, Suite 4001, Carson City, NV 89701. His phone number is 775.687.9531. His email is: j.cooper@ndep.nv.gov.

Please indicate your approval by signing below and returning a copy of this letter to the State Treasurer and Jason.

Respectfully,



Greg Lovato, Administrator
Nevada Division of Environmental Protection

Attachments:

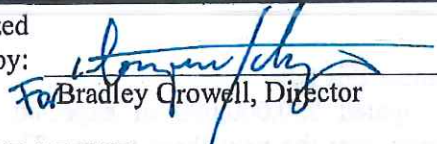
- List of current borrowers and their credit ratings
- List of projects seeking funding from the CWSRF
- Debt Service coverage calculations including the above mentioned bonds

Upon receipt of this letter, I authorize the State Treasurer to arrange the issuance of the bonds.

DEPARTMENT OF CONSERVATION & NATURAL RESOURCES

Approved and Authorized

by:



Bradley Crowell, Director

Date: 6/27/19

GOVERNOR'S FINANCE OFFICE

Approved and Authorized

by:



Susan Brown, Director

Date: 8/15/19

Table 1

STATE OF NEVADA CLEAN WATER REVOLVING FUND
Projected Revenues Available for Debt Service
As of June 28, 2019

Fiscal Year	Beginning Retained Earnings	Earnings and Loan Interest Payments	Match Debt Service[A]	Coverage (D)=(A+B)/C	Principal Payments	Revenues Available for Combined Debt Service	Leveraged Bonds Debt Service[A]	Combined Debt Service[A]	Combined Coverage
	A	B	C	(D)=(A+B)/C	E	F=A+B+E	G	H=C+G	I=F/H
2020	23,762,549.28	6,047,026.19	1,684,500.00	17.70	21,551,014.86	51,360,590.33	7,706,675.00	9,391,175.00	5.47
2021	28,125,075.47	6,465,888.87	1,861,300.00	18.58	21,909,222.73	56,500,187.07	8,636,175.00	10,497,475.00	5.38
2022	32,729,664.34	6,943,072.56	1,751,000.00	22.66	22,617,804.43	62,290,541.33	5,916,000.00	7,667,000.00	8.12
2023	37,921,736.90	6,938,850.11	1,006,250.00	44.58	23,094,469.85	67,955,056.86	5,898,100.00	6,904,350.00	9.84
2024	43,854,337.01	6,895,453.32	1,212,500.00	41.85	23,709,734.11	74,459,524.44	2,375,000.00	3,587,500.00	20.76
2025	49,537,290.33	6,767,579.06	1,162,500.00	48.43	19,899,673.89	76,204,543.28	3,300,000.00	4,462,500.00	17.08
2026	55,142,369.39	6,642,935.60	1,112,500.00	55.54	18,674,842.85	80,460,147.84	3,931,250.00	5,043,750.00	15.95
2027	60,672,804.99	6,510,829.84	1,062,500.00	63.23	17,657,602.54	84,841,237.37	3,793,750.00	4,856,250.00	17.47
2028	66,121,134.83	6,382,947.29	768,750.00	94.31	17,363,180.89	89,867,263.01	3,412,500.00	4,181,250.00	21.49
2029	71,735,332.12	6,261,520.60	-		17,767,391.71	95,764,244.43	3,287,500.00	3,287,500.00	29.13
2030	77,996,852.72	6,141,648.91	-		17,033,012.45	101,171,514.08	3,162,500.00	3,162,500.00	31.99
2031	84,138,501.63	6,026,544.48	-		16,090,686.31	106,255,732.42	3,037,500.00	3,037,500.00	34.98
2032	90,165,046.11	5,923,457.90	-		13,371,398.89	109,459,902.90	2,912,500.00	2,912,500.00	37.58
2033	96,088,504.01	5,855,843.57	-		12,606,778.68	114,551,126.26	2,787,500.00	2,787,500.00	41.09
2034	101,944,347.58	5,800,330.62	-		11,806,684.22	119,551,362.42	2,662,500.00	2,662,500.00	44.90
2035	107,744,678.20	5,757,820.86	-		10,166,247.38	123,668,746.44	2,050,000.00	2,050,000.00	60.33
		101,361,749.78	11,621,800.00		285,319,745.79		64,869,450.00	76,491,250.00	

[A]Includes the proposed match and leverage bond issuance debt service

Table 2

STATE OF NEVADA CLEAN WATER REVOLVING FUND
Schedule of Loans
As of July 1, 2019

Local Entity	Year Loan Made	Loan Outstanding Balance	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Carson City, City of	2010	1,816,640.65	GO/Revenue		
Carson City, City of	2014	21,799,829.47	GO/Revenue		
Carson City, City of	2015	10,891,865.83	GO/Revenue	\$ 34,508,335.95	15.25%
Clark Co Water Reclamation District	2009	3,105,286.41	GO/Revenue		
Clark Co Water Reclamation District	2011	28,693,555.27	GO/Revenue		
Clark Co Water Reclamation District	2012	24,060,339.63	GO/Revenue	\$ 55,859,181.31	24.68%
Douglas County	2016	1,748,445.49	GO/Revenue	\$ 1,748,445.49	0.77%
Douglas County Lake Tahoe Sewer Authority	2006	369,641.72	Revenue		
Douglas County Lake Tahoe Sewer Authority	2006	158,665.82	Revenue		
Douglas County Lake Tahoe Sewer Authority	2007	353,035.01	Revenue	\$ 881,342.55	0.39%
Fernley, City of	2015	5,159,070.00	GO/Revenue		
Fernley, City of	2017	1,382,357.76	GO/Revenue	\$ 6,541,427.76	2.89%
Hawthorne Utilities	2018	925,072.91	GO/Revenue	\$ 925,072.91	0.41%
Henderson, City of	2010	917,034.52	Revenue	\$ 917,034.52	0.41%
Incline Village General Improvement District	2002	423,011.08	Revenue		
Incline Village General Improvement District	2006	1,228,635.48	GO/Revenue	\$ 1,651,646.56	0.73%
Lyon County	2014	1,653,427.02	GO/Revenue		
Lyon County	2015	8,272,568.89	GO/Revenue	\$ 9,927,995.91	4.39%
Mesquite, City of	2009	12,541,846.35	GO/Revenue	\$ 12,541,846.35	5.54%
Minden Gardenville Sanitation District	2009	771,666.31	Revenue	\$ 771,666.31	0.34%
North Las Vegas, City of	2017	46,657,784.38	GO/Revenue		
North Las Vegas, City of	2017	416,964.90	GO/Revenue	\$ 47,074,749.28	20.81%
Reno, City of	2016	26,452,223.26	GO/Revenue	\$ 26,452,223.26	11.69%
Sparks, City of	2016	17,922,300.54	GO/Revenue	\$ 17,922,300.54	7.92%
Washoe County	2015	8,528,212.55	GO/Revenue	\$ 8,528,212.55	3.77%
Total*				\$ 226,251,481.25	
				223,258,426.79	GO/Revenue
				2,993,054.46	Revenue
				-	Private Company

*Totals may not add exactly due to rounding

AS OF: 6/28/2019

CWSRF Open and Pending Loans

Uses of Program Funds

Disbursement Status	Commitment Date	Loan Execution Date	Maturity Date	Project Number	Terms	Interest Rate	Party	Undisbursed Balance to repayable loans	Undisbursed balance to principal forgiveness loans	Grant funds only (tribal borrowers)
Ongoing	17-May-16	17-May-16	17-May-36	CW1604	20 years	2.05% Douglas County		3,760,775.70		
Ongoing	10-Jan-18	10-Jan-18	01-Jan-38	CW1804	20 years	2.13% North Las Vegas		9,583,035.10		
Ongoing	24-Jan-18	24-Jan-18	01-Jan-38	CW1802	20 years	2.23% Hawthorne Utilities		74,927.09		
Ongoing	28-Nov-18	28-Nov-18		CW1901	PF	PF Churchill County (Golf Course)			323,190.00	
Pending	19-Feb-19	19-Feb-19	PF	CW1902	PF	PF Churchill County (Larkin Road)			949,000.00	
Pending					PF	PF Storey County (Gold Hill)			530,000.00	
Pending					20 years	TBD DCLake Tahoe Sewer Authority		9,000,000.00		
Pending					30 years	TBD Washoe County		27,000,000.00		
Pending					20 years	TBD Washoe County		23,000,000.00		
Pending					PF	PF Humboldt County (McDermitt)			145,500.00	
Pending					PF	PF Fallon Paiute Shoshone Tribe			500,000.00	Grant Funds Only
Pending					PF	PF M/GSD (Pine View Estates)			500,000.00	
Pending						TBD Lyon County		20,000,000.00		
Undisbursed Balance by loan type								92,418,737.89	2,947,690.00	
Total Undisbursed Balance								\$95,366,427.89		

TBD: To be determined

Sources of Program Funds

Grants	\$20,057,119.28
Bonds	\$36,000,000.00
Repayments	\$39,309,308.61
Total Sources	\$95,366,427.89

- A Balance owed to borrowers with traditional loan terms.
- B Balance owed to principal forgiveness (PF) borrowers. Principal and interest is forgiven.
- C Undisbursed balances to borrowers can be from any program source (i.e.: grants, bonds, repayments, interest) unless the borrower is a tribe.

RESOLUTION

A RESOLUTION DESIGNATED THE "2019A CAPITAL IMPROVEMENT AND REFUNDING BOND RESOLUTION"; AUTHORIZING THE ISSUANCE AND SALE OF THE STATE OF NEVADA GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT AND REFUNDING BONDS, SERIES 2019A; PROVIDING THE PURPOSE FOR WHICH SUCH BONDS ARE ISSUED, THE FORM, TERMS, AND CONDITIONS OF SUCH BONDS AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF SUCH BONDS; AND PROVIDING OTHER RELATED MATTERS.

WHEREAS, the Board of Finance (the "Board") of the State of Nevada (the "State") is authorized by Chapter 606, Statutes of Nevada, 2017 (the "2017 Project Act") to issue general obligation bonds in the face amount of not more than \$117,912,005 for the purpose of financing various capital improvement projects, described in Section 6 of the 2017 Project Act (the "2017 Capital Improvement Project"); and

WHEREAS, the Board is authorized by the 2017 Project Act to issue general obligation bonds in the face amount of not more than \$42,016,797 for the purpose of financing the project numbered and identified as Project 17-C04, Construct New Department of Motor Vehicles Service Center, Reno, described in Section 8 of the 2017 Project Act (the "2017 DMV Project"); and

WHEREAS, the Board is authorized by the 2017 Project Act to issue general obligation bonds in the face amount of not more than \$41,500,000 for the purpose of financing the project numbered and identified as Project 17-C06, Construction of New Engineering Building, University of Nevada, Reno, described in Section 10 of the 2017 Project Act (the "UNR Project"); and

WHEREAS, the Board is authorized by Chapter 542, Statutes of Nevada, 2019 (the "2019 Project Act") to issue general obligation bonds in the face amount of not more than \$186,000,000 for the purpose of financing various capital improvement projects, described in Section 6 of the 2019 Project Act (the "2019 Capital Improvement Project" and together with the 2017 Capital Improvement Project, the "Capital Improvement Project"); and

WHEREAS, the Board is authorized by the 2019 Project Act to issue general obligation bonds in the face amount of not more than \$5,344,346 for the purpose of financing the project numbered and identified as Project 19-C01, Completion of South Reno Department of Motor Vehicles Service Office, described in Section 8 of the 2019 Project Act (the "2019 DMV Project" and together with the 2017 DMV Project, the "DMV Project"); and

WHEREAS, the Board has previously issued its State of Nevada General Obligation (Limited Tax) Capital Improvement Bonds, Series 2017A in the aggregate principal amount of \$85,635,000 (the "2017A Bonds") pursuant to the 2017 Project Act and a resolution designated as the "2017A Capital Improvement Bond Resolution" adopted by the Board on September 12, 2017 (the "2017A Bond Resolution"), of which (i) \$60,406,445 was issued for the purpose of financing a portion of the 2017 Capital Improvement Project, and (ii) \$12,340,000 was issued for the purpose of financing a portion of the 2017 DMV Project; and

WHEREAS, the Board has previously issued its State of Nevada General Obligation (Limited Tax) Capital Improvement, Historic Preservation and Refunding Bonds, Series 2018A in the aggregate principal amount of \$57,100,000 (the "2018A Bonds") pursuant to the 2017 Project Act and a resolution designated as the "2018A Capital Improvement, Historic Preservation and Refunding Bond Resolution" adopted by the Board on August 14, 2018 (the "2018A Bond Resolution"), of which (i) \$18,715,000 was issued for the purpose of financing a portion of the 2017 Capital Improvement Project, (ii) \$14,015,000 was issued for the purpose of financing a portion of the 2017 DMV Project, and (iii) \$23,395,000 was issued for the purpose of financing a portion of the UNR Project; and

WHEREAS, the Board has determined at this time to issue a portion of the general obligation bonds authorized by the State Legislature pursuant to the 2017 Project Act in an aggregate principal amount not to exceed \$26,600,000 for the purpose of financing the 2017 Capital Improvement Project; and

WHEREAS, the Board has determined at this time to issue a portion of the general obligation bonds authorized by the State Legislature pursuant to the 2017 Project Act in an aggregate principal amount not to exceed \$10,500,000 for the purpose of financing the 2017 DMV Project; and

WHEREAS, the Board has determined at this time to issue a portion the general obligation bonds authorized by the State Legislature pursuant to the 2017 Project Act in an

aggregate principal amount not to exceed \$16,200,000 for the purpose of financing the UNR Project; and

WHEREAS, the Board has determined at this time to issue a portion of the general obligation bonds authorized by the State Legislature pursuant to the 2019 Project Act in an aggregate principal amount not to exceed \$58,000,000 for the purpose of financing the 2019 Capital Improvement Project; and

WHEREAS, the Board has determined at this time to issue a portion of the general obligation bonds authorized by the State Legislature pursuant to the 2019 Project Act in an aggregate principal amount not to exceed \$5,300,000 for the purpose of financing the 2019 DMV Project; and

WHEREAS, the State Securities Law, cited as NRS 349.150 through and including 349.364, as amended (the "Bond Act"), applies to the bonds authorized hereunder; and

WHEREAS, the Board hereby elects to have the provisions of Chapter 348, Nevada Revised Statutes (the "Supplemental Bond Act") apply to the bonds authorized hereunder; and

WHEREAS, the State has previously issued its (i) State of Nevada, General Obligation (Limited Tax) Capital Improvement Bonds, Series 2009A (Taxable Direct Pay Build America Bonds) (the "2009A Bonds"), and (ii) State of Nevada, General Obligation (Limited Tax) Capital Improvement, Cultural Affairs and Refunding Bonds, Series 2009B (the "2009B Bonds"); and

WHEREAS, the Board desires to provide for the issuance of general obligation bonds to be designated the "State of Nevada, General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A" (the "Bonds") to finance the Capital Improvement Project, the DMV Project and the UNR Project (collectively, the "Capital Improvement, DMV and UNR Project") and the Refunding Project (defined below); and

WHEREAS, the Bonds will be sold in an initial aggregate principal amount set forth in the certificate of the State Treasurer (the "Certificate of the Treasurer"): (i) not to exceed \$26,600,000 for the purpose of the 2017 Capital Improvement Project, (ii) not to exceed \$10,500,000 for the 2017 DMV Project, (iii) not to exceed \$16,200,000 for the UNR Project, (iv) not to exceed \$58,000,000 for the purpose of the 2019 Capital Improvement Project, (v) not to exceed \$5,300,000 for the purpose of the 2019 DMV Project, and (vi) if the State Treasurer or

designee determines that interest rate savings can be effected, the State Treasurer or designee is authorized to specify in the Certificate of the Treasurer which maturities of the 2009A Bonds and/or the 2009B Bonds, if any, will be refunded (the "Refunded Bonds") with a portion of the proceeds of the Bonds (the "Refunding Project") in an additional amount not to exceed the amount necessary to effect the Refunding Project; and

WHEREAS, pursuant to NRS 349.303, the Board is authorized to delegate to the State Treasurer or designee the power to accept a binding bid for the Bonds subject to certain requirements specified in this Resolution; and

WHEREAS, the State Treasurer or designee is authorized to accept the bid submitted by the lowest responsible bidder for the Bonds as determined by the State Treasurer or designee and as set forth in the Certificate of the Treasurer (the "Purchaser"), for the purchase of the Bonds at a price equal to the principal amount thereof, plus accrued interest from their date to the date of their delivery, less the discount, of not more than 9 percent of the principal amount, or plus a premium, if any, in each case as shown on the Certificate of the Treasurer, and otherwise upon the terms and conditions provided in this Resolution and in the Certificate of the Treasurer; and

WHEREAS, the Board, on behalf of and in the name of the State, has determined and does declare:

A. To secure and preserve the public health, safety, convenience, and welfare, it is necessary to issue the Bonds for the Capital Improvement, DMV and UNR Project and the Refunding Project, pursuant to the 2017 Project Act, the 2019 Project Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws;

B. Each of the limitations and other conditions to the issuance of the Bonds in the 2017 Project Act, the 2019 Project Act, the Bond Act, the Supplemental Bond Act, and in any other relevant act of the State have been met; and pursuant to NRS 349.352, 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;

C. The money budgeted or to be budgeted by the State Legislature as described in subsection 3 of Section 8 of the 2017 Project Act while the Bonds remain outstanding will be sufficient to pay the bond repayment costs of the portion of the Bonds issued for the purpose of financing the 2017 DMV Project;

D. The money budgeted or to be budgeted by the State Legislature as described in subsection 3 of Section 10 of the 2017 Project Act while the Bonds remain outstanding will be sufficient to pay the bond repayment costs of the portion of the Bonds issued for the purpose of financing the UNR Project; and

E. The money budgeted or to be budgeted by the State Legislature as described in subsection 3 of Section 8 of the 2019 Project Act while the Bonds remain outstanding will be sufficient to pay the bond repayment costs of the portion of the Bonds issued for the purpose of financing the 2019 DMV Project.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF FINANCE OF THE STATE OF NEVADA:

Section 1. Title. This Resolution shall be known as the "2019A Capital Improvement and Refunding Bond Resolution."

Section 2. Defined Terms. In addition to the terms defined in the "Whereas" clauses of this Resolution, capitalized undefined terms used herein shall have the following meanings:

"Acquisition Account" means the "State of Nevada General Obligation (Limited Tax) Capital Improvement, Series 2019A Capital Improvement Acquisition Account."

"Authorized Denomination" means denominations of \$5,000 or any integral multiple thereof.

"Board" means the Board of Finance of the State of Nevada.

"Bond Requirements" means the principal of, and interest and redemption premium, if any, on, the Bonds.

"Bonds" means the State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A.

"Certificate of the Treasurer" means the certificate executed by the Treasurer or designee on or after the sale of the Bonds and on or before the closing on the Bonds.

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

"Consolidated Bond Fund" means the fund created pursuant to NRS 349.236.

"Costs of Issuance Account" means a separate account held by the Treasurer and designated as the "State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A Cost of Issuance Account."

"Custodial Deposit" means deposit of Bonds pursuant to a book-entry only system of registration as provided in Section 22 hereof.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., as the disclosure dissemination agent for the State with respect to the Bonds, or any successor disclosure dissemination agent appointed by the State.

"Federal Securities" means federal securities as defined in NRS 349.172, or any successor provision thereto.

"Interest Payment Date" means May 1 and November 1 of each year, commencing on May 1, 2020.

"Owner" means the person in whose name a Bond is registered on the books of registry maintained by the Registrar.

"Paying Agent" means U.S. Bank National Association, and its successors and assigns.

"Project" means the Capital Improvement, DMV and UNR Project and the Refunding Project, if any.

"Purchaser" means the initial purchase of the Bonds named in the Certificate of the Treasurer.

"Redemption Account" means the account designated as the "State of Nevada General Obligation (Limited Tax) Refunding Bonds, Series 2019A, Redemption Account."

"Registrar" means U.S. Bank National Association, and its successors and assigns.

"Regular Record Date" means the fifteenth day of the calendar month preceding each Interest Payment Date (other than a special interest payment date established pursuant to Section 17 hereof for defaulted interest).

"Securities Depository" means Cede & Co., as nominee of The Depository Trust Company, or its successor appointed pursuant to Section 22 hereof, which successor must be both a "clearing corporation" as defined in NRS 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended.

"Special Record Date" means a special record date fixed by the Registrar pursuant to Section 17 hereof for the payment of defaulted interest.

"Taxes" means annual general (ad valorem) taxes.

"Treasurer" means the State Treasurer.

Section 3. Authority for Resolution. This Resolution is adopted pursuant to the 2017 Project Act, the 2019 Project Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws.

Section 4. Acceptance of Bids. Pursuant to NRS 349.303, the Board hereby delegates to the Treasurer or designee the authority to accept a binding bid for the Bonds from the Purchaser pursuant to the Certificate of the Treasurer subject to the following requirements:

A. the effective interest rate on the Bonds, calculated in accordance with Chapter 99 of NRS, must not exceed by more than 3% the "Index of Twenty Bonds" which was most recently published in The Bond Buyer before the Purchaser's bid was received;

B. the Treasurer or designee, in the Treasurer's or designee's discretion, will determine the dates on which, if any, and the prices at which the Bonds may be called for redemption prior to maturity;

C. the purchase price for the Bonds will be an amount equal to the aggregate principal amount of the Bonds less a discount, if any, of not more than 9 percent of such aggregate principal amount, or plus a premium, if any, all as set forth in the Certificate of the Treasurer; and

D. the aggregate principal amount of the Bonds payable in any particular year must not exceed \$50,000,000.

Section 5. Life of Project. The Board has determined and declares:

A. The estimated life or estimated period of usefulness of the Project financed or refinanced with the proceeds of the Bonds is not less than the average maturity of the Bonds; and

B. The Bonds will mature at times not exceeding such estimated life or estimated periods of usefulness.

Section 6. Necessity of Project and Bonds. It is necessary and in the best interests of the State that the Board undertake the Project and defray the cost by the issuance of the Bonds.

Section 7. Authorization of Project. The Board has determined to undertake the Project and defray the cost by the issuance of the Bonds.

Section 8. Estimated Cost of Project. The cost of the Project is estimated not to exceed the amount received from the sale of the Bonds, excluding any such cost to be defrayed by any source other than the proceeds of the Bonds.

Section 9. Resolution to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by the Owners thereof from time to time, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the State and the Owners of the Bonds.

Section 10. Bonds Equally Secured. The covenants and agreements of the State and the Board set forth in this Resolution shall be for the equal benefit, protection, and security of the Owners of any and all of the outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction, except as otherwise expressly provided in or pursuant to this Resolution.

Section 11. General Obligations. All of the Bonds and the Bond Requirements shall constitute general obligations of the State, which hereby pledges its full faith and credit for their payment. All Bond Requirements shall be payable from Taxes as provided in this Resolution.

Section 12. Non-Exempted Debt. The issuance of the Bonds constitutes an exercise of the authority conferred by the first paragraph of Section 3, Article 9, of the Constitution of the State, and the Bonds will be treated as bonds to which the limitations stated in the first paragraph of said Section apply.

Section 13. Limitations upon Security. Pursuant to NRS 349.250, the payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the State, except the proceeds of Taxes and any other monies pledged for the payment of the Bonds. No property of the State, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 14. Limitations upon Recourse. Pursuant to NRS 349.252, no recourse shall be had for the payment of the Bond Requirements or for any claim based thereon or otherwise upon this Resolution, against any individual member of the Board or any officer or other agent of the State, past, present, or future, either directly or indirectly through the Board or

the State, 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.

Section 15. No Repeal of Bond Act. Pursuant to NRS 349.256, the faith of the State is hereby pledged that the 2017 Project Act, the 2019 Project Act, the Bond Act, the Supplemental Bond Act and any other law supplemental or otherwise pertaining thereto, and any other act concerning the Bonds or the Taxes, or both, shall neither be repealed nor amended nor otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding Bonds, until all the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

Section 16. Authorization of Bonds. For the purpose of defraying the cost of the Project, there are hereby authorized to be issued the Bonds in the aggregate principal amount designated in the Certificate of the Treasurer, which shall not exceed \$178,000,000 and will include: (i) the principal amount for the 2017 Capital Improvement Project, which shall not exceed \$26,600,000, (ii) the principal amount for the 2017 DMV Project, which shall not exceed \$10,500,000, (iii) the principal amount for the UNR Project, which shall not exceed \$16,200,000, (iv) the principal amount for the 2019 Capital Improvement Project, which shall not exceed \$58,000,000, (v) the principal amount for the 2019 DMV Project, which shall not exceed \$5,300,000, and (vi) the principal amount sufficient to effect the Refunding Project, if any, which shall not exceed \$61,400,000.

Section 17. Bond Details. The Bonds will be dated as of their date of delivery to the Purchaser and shall be issued in Authorized Denominations. The Bonds shall bear interest from their date until their respective fixed maturity dates (or, if called for redemption prior to maturity as provided below, their redemption dates) at the respective rates per annum set forth in the Certificate of the Treasurer calculated on the basis of a 360-day year of twelve 30-day months, payable on each Interest Payment Date; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the applicable rates set forth in the Certificate of the Treasurer from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. The Bonds will mature on the dates and in the principal amounts and bear interest at the rates per annum set forth in the Certificate of the Treasurer.

The portion of the Bonds used to finance the 2017 Capital Improvement Project, the 2017 DMV Project and the UNR Project must mature within 20 years following the date of passage of the 2017 Project Act (not to exceed June 16, 2037). The portion of the Bonds used to finance the 2019 Capital Improvement Project and the 2019 DMV Project must mature within 20 years following the date of passage of the 2019 Project Act (not to exceed June 12, 2039). The portion of the Bonds used to refinance the 2009A Bonds and/or the 2009B Bonds authorized in the 2009 legislative session must mature within 20 years following the date of passage of the act authorizing the 2009A Bonds and the 2009B Bonds (not to exceed June 23, 2029).

The principal of and redemption premium, if any, on any Bond shall be payable to the Owner thereof upon maturity or prior redemption thereof and upon presentation and surrender at the principal office of the Paying Agent, or such other office as may be designated by the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after redemption or maturity, it shall continue to bear interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Owner thereof by check or draft mailed by first-class mail 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 such Owner's address, as shown on the registration records kept by the Registrar as of the Regular Record Date. 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 person who is the Owner thereof, at such Owner's address, as shown on the registration records of the Registrar as of the close of business on a Special Record Date fixed for the purpose of paying any such defaulted interest. 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 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 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 18. Redemption.

A. Optional Redemption. The Bonds, or portions thereof in Authorized Denominations, maturing on and after the date designated in the Certificate of the Treasurer, shall be subject to optional redemption prior to their respective maturities, on and after the date designated in the Certificate of the Treasurer, at the option of the State to be exercised by delivery of a written certificate of the Treasurer to the Registrar, in whole or in part at any time, from any maturities selected by the State and by lot within a maturity, at a price equal to the principal amount of each Bond, or portion thereof, to be so redeemed, plus accrued interest thereon to the redemption date and a premium, if any, computed in accordance with the schedule contained in the Certificate of the Treasurer.

B. Mandatory Redemption. The Bonds maturing on the dates specified in the Certificate of the Treasurer (the "Term Bonds") are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As and for a sinking fund for the redemption of the Term Bonds, there shall be deposited into the Consolidated Bond Fund on or before the dates described in the Certificate of the Treasurer, a sum which, together with other moneys available in the "State of Nevada, General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A Tax Fund-Principal," is sufficient to redeem (after credit is provided below) on the dates and in the principal amounts of Term Bonds as provided in the Certificate of the Treasurer. The Term Bonds being redeemed in part will be selected by lot in such manner as the Registrar may determine.

Not more than sixty days nor less than thirty days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (in the manner described above) from all Outstanding Term Bonds of the maturity and series being redeemed, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments.

At the option of the Treasurer to be exercised by delivery of a written certificate to the Registrar not less than 60 days next preceding any sinking fund redemption date, the State may (i) deliver to the Registrar for cancellation Term Bonds (which are subject to

sinking fund redemption on such sinking fund redemption date) or portions thereof in Authorized Denominations in an aggregate principal amount desired by the Treasurer, or (ii) specify a principal amount of such Term Bonds (which are subject to sinking fund redemption on such sinking fund redemption date) or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation with respect to such Term Bonds. 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 State on such sinking fund redemption date and any excess shall be so credited against future sinking fund redemption obligations in such manner as the Treasurer determines. In the event the Treasurer shall utilize the provisions of clause (i) of the first sentence of this paragraph on behalf of the State, the certificate required by the first sentence of this paragraph shall be accompanied by the respective Term Bonds or portions thereof to be cancelled.

Section 19. Redemption Notice. Unless waived by any Owner of a Bond to be redeemed, notice of redemption shall be given by the Registrar (on direction of the State Treasurer given not less than 60 days prior to the redemption date), by electronic mail as long as Cede & Co. or a nominee or a successor depository is the Owner of the Bonds, and otherwise by first class postage prepaid mail, at least 20 days but not more than 60 days prior to the redemption date, to the Owner of any Bond all or a part of which is called for redemption at the Owner's address as it last appears on the registration records kept by the Registrar, and electronically (1) to the Disclosure Dissemination Agent or (2) if Digital Assurance Certification, L.L.C. no longer serves as the Disclosure Dissemination Agent and the State has not appointed a successor Disclosure Dissemination Agent, to the Municipal Securities Rulemaking Board ("MSRB") via its Electronic Municipal Market Access system. The notice shall identify the Bonds or portions thereof to be redeemed, specify the redemption date and state that on such date the principal amount thereof, accrued interest and premium, if any, thereon will become due and payable at the principal office of the Paying Agent or such other office as may be designated by the Paying Agent, and that after such redemption date interest will cease to accrue.

After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of the notice by the Disclosure Dissemination Agent, MSRB or the Owners of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the Disclosure Dissemination Agent, MSRB or the Owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for redemption of any other Bond. A certificate by the Registrar that notice of 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 to actually receive such notice of redemption.

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

Section 20. Negotiability. Subject to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code-Investment Securities, and each Owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code-Investment Securities.

Section 21. Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 22 hereof:

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, or at such other office as may be designated by the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the Owner or 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 series and 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 series and maturity of other

Authorized Denominations, as provided in Section 17 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. The Registrar shall require the payment by the Owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and shall charge a sum sufficient to pay the cost of preparing and authenticating a new Bond.

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

C. The person in whose name any Bond shall be registered on the registration 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; 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 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 State 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 series and 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 the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or the Registrar to the Board upon request.

Section 22. Custodial Deposit.

A. Notwithstanding the foregoing provisions of Sections 17 to 21 hereof, the Bonds shall initially be evidenced by one or more Bonds per maturity in denominations equal to the aggregate principal amounts of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for the Securities Depository. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of the Securities Depository; or

(2) upon the resignation of the Securities Depository or a determination by the State that the Securities Depository is no longer able to carry out its functions, and the designation by the State of a new Securities Depository; or

(3) upon the resignation of the Securities Depository or a determination by the State that the Securities Depository is no longer able to carry out its functions, and the failure by the State, after reasonable investigation, to locate another qualified depository institution to carry out such depository functions; or

(4) upon determination by the Board that a book-entry only system of registration is not beneficial to the State and/or the Owners of the Bonds.

B. In the case of a transfer to a successor of the Securities Depository as referred to in clause (1) of Subsection A hereof or designation of a new Securities Depository pursuant to clause (2) of Subsection 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 maturity shall be issued to such successor or new Securities Depository, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) or (4) of Subsection A hereof, and receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in Authorized Denominations as provided in and subject to the limitations of Section 17 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such

new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by a Securities Depository.

D. The State, the Registrar and the Paying Agent shall endeavor to cooperate with any Securities Depository 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 Securities Depository on the date they are due.

E. Upon any partial redemption of any maturity of the Bonds, the Securities Depository in its discretion may request the State 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 23. Execution and Authentication.

A. Prior to the execution of any Bond and pursuant to NRS 349.284, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Governor of the State, the State Controller, the Secretary of State and the State Treasurer (the "Governor," the "Controller," the "Secretary" and the "Treasurer," respectively) shall each file with the Secretary such officer's manual signature certified under oath.

B. Pursuant to NRS 349.282, the Bonds shall be approved, signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor, shall be countersigned and executed with the manual or facsimile signature of the Controller, and shall be countersigned, subscribed and executed with the manual or facsimile signature of the Treasurer. There shall be affixed on the Bonds the manual or facsimile impression of the great seal of the State, and each Bond shall each be attested, signed and executed with the manual or facsimile signature of the Secretary.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form provided in Exhibit A, 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 of the

Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Resolution, the Registrar shall be deemed to have assented to all of the provisions of this Resolution.

Section 24. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of their execution shall be the valid and binding obligations of the State, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Governor, the Controller, the Treasurer and the Secretary, at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 25. Incontestable Recital. Pursuant to NRS 349.274, the Bonds shall contain a recital that they are issued pursuant to the Bond Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 26. State Tax Exemption. Pursuant to NRS 349.354, 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 the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

Section 27. Bond Execution. The Governor, Controller, Treasurer and Secretary are authorized and directed to prepare and to execute the Bonds as provided above.

Section 28. Initial Registration. The Registrar shall maintain the registration records of the State for the Bonds, showing the name and address of the Owner of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond, and its interest rate, bond number and its principal amount.

Section 29. Bond Delivery. After such registration and after their execution and authentication as provided herein, the Treasurer or designee shall cause the Bonds to be delivered to the Purchaser thereof, upon payment being made in accordance with the terms of their sale.

Section 30. Bond Form. Subject to the provisions of this Resolution, the Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions,

insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Resolution, or be consistent with this Resolution and necessary and appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Section 31. Consolidated Bond Fund. Pursuant to NRS 349.236, payment of the Bond Requirements of the Bonds shall be made from the Consolidated Bond Fund of the State, under the provisions of NRS 349.080 through 349.140, except to the extent any provision is otherwise made for such payment by the 2017 Project Act, the 2019 Project Act or this Resolution.

Section 32. General Tax Levies. There shall be levied in each calendar year annually until all of the Bond Requirements of the Bonds shall have been fully paid, satisfied and discharged, a Tax on all property, both real and personal, subject to taxation within the boundaries of the State, fully sufficient together with the revenue which will result from the application of the rate to the net proceeds of minerals, to pay and retire the Bonds, without regard to any statutory tax limitations now or thereafter existing, but subject to the limitations imposed by NRS 361.453, and by Section 2 of Article 10 of the Constitution of the State, and after there are made due allowances for probable delinquencies.

Section 33. Budget Provisions. In the preparation of the budget for the State, the State Legislature shall first make proper provisions through the levy of sufficient Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the State, including, without limitation, the Bonds subject to the limitations imposed by Section 2 of Article 10 of the Constitution of the State and by NRS 361.453, and the amount of money necessary for this purpose shall be a first charge against all revenues received by the State.

Section 34. Priorities for Bonds. As provided in NRS 361.463, in any year the total Taxes levied against the property in the State by all overlapping units within the boundaries of the State may exceed the limitation imposed by NRS 361.453 and it shall become necessary for that reason to reduce the levies made by any of those units, the reduction so made shall be in Taxes levied by such units (including, without limitation, the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The Taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over taxes levied by

each such unit (including, without limitation, the State), for all other purposes where reduction is necessary in order to comply with the limitation imposed by NRS 361.453.

Section 35. Correlation of Levies. Such Taxes shall be levied and collected in the same manner and at the same time as other Taxes are levied and collected. The proceeds of Taxes levied to pay interest on the Bonds shall be kept by the Treasurer in a special fund designated as the "State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A Tax Fund-Interest," and the proceeds of Taxes levied to pay the principal of the Bonds shall be kept in a special fund designated as the "State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A Tax Fund-Principal." Such funds shall be used for no other purpose than the payment of interest on and principal of the Bonds, respectively, as the same become due.

Section 36. Use of General Fund. Any sums coming due on the Bonds at any time when there are on hand from such Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the State, reimbursement to be made for such general funds in the amounts so advanced when the Taxes have been collected, pursuant to NRS 349.242.

Section 37. Use of Other Funds. Nothing in this Resolution prevents the State from applying any funds (other than Taxes) that may be available for that purpose to the payment of the Bond Requirements of the Bonds, including without limitation any funds described in the 2017 Project Act and the 2019 Project Act, and upon such payment, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 349.244.

Section 38. Legislative Duties. In accordance with NRS 349.238 through 349.244, it shall be the duty of the State Legislature, at the time and in the manner provided by law for levying other taxes of the State, if such action shall be necessary to effectuate the provisions of this Resolution, to ratify and carry out the provisions of this Resolution with reference to the annual levy and collection of such Taxes; and the State Legislature shall require the officers of the State to levy, extend and collect such Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds.

Section 39. Appropriation of Taxes. In accordance with NRS 349.248, there is specially appropriated the proceeds of such Taxes to the payment of the Bond Requirements of the Bonds; and such appropriations shall neither be repealed nor such Taxes postponed or

diminished (except as otherwise expressly provided) until the Bond Requirements of the Bonds have been wholly paid.

Section 40. Use of Bond Proceeds. Pursuant to NRS 349.294, amounts received from the sale of the Bonds shall be deposited promptly by the Treasurer and shall be accounted for in the following manner and priority and are hereby pledged for such purposes:

A. First, an amount sufficient from the proceeds of the Bonds, together with other available moneys, if any, shall be deposited into the Redemption Account to be held by the paying agent for the Refunded Bonds and used to redeem the Refunded Bonds on the date of issuance of the Bonds.

B. Second, the amount received from the sale of the Bonds for the purpose of effecting the Capital Improvement, DMV and UNR Project shall be credited to the Acquisition Account.

C. Third, the balance of the amount received from the sale of the Bonds, after the deposits required by subsections A and B of this Section, shall be credited to the Costs of Issuance Account for the purpose of paying the costs of issuance relating to the Bonds. After all expenses have been paid, any unexpended balance of Bond proceeds shall be deposited into the Acquisition Account.

Section 41. Investments. Pursuant to NRS 349.304, the Board hereby authorizes the Treasurer to cause to be invested and reinvested any proceeds of Taxes and any proceeds from the issuance of the Bonds. Pursuant to NRS 349.304, (i) any gain from the investment of any proceeds of the Bonds credited to the Acquisition Account shall be deposited promptly upon its receipt to the Acquisition Account and applied to the Capital Improvement, DMV and UNR Project; and (ii) any gain from the investment of any proceeds of the Bonds credited to the Costs of Issuance Account shall be deposited promptly upon its receipt to the Costs of Issuance Account and applied to the costs of issuance of the Bonds.

Section 42. Use of Acquisition Account. The moneys in the Acquisition Accounts except as otherwise expressly provided, shall be used and paid out solely for the purpose of paying the cost of the Capital Improvement, DMV and UNR Project; or, if not needed for that purpose, shall be credited to the Consolidated Bond Fund and applied to pay the Bond Requirements of the Bonds as they become due.

Section 43. Prevention of Bond Default. Except as otherwise expressly provided by this Resolution, the Treasurer shall use any Bond proceeds credited to the Acquisition Account, without further order or warrant, to pay the Bond Requirements of the Bonds, as the same become due, whenever and to the extent moneys otherwise available therefor are insufficient for that purpose. The Treasurer or designee shall promptly notify the Board of any such use. Any moneys so used shall be restored to the applicable fund, from the first revenues thereafter received and available for such restoration.

Section 44. Defeasance. When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations hereunder with respect to such Bond shall thereby be discharged and such Bond shall no longer be deemed to be outstanding within the meaning of this Resolution. Except as provided in the last sentence of this Section, a Bond will be deemed to be paid when there has been placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of such Bond, as the same become due to the final maturity thereof or upon any prior redemption date as of which the Board shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of such Bond for payment, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the Bond Requirements of such Bond, as the same become due. The Federal Securities shall become due at or before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the escrow agent at the time of the creation of the escrow or trust. 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 holder thereof. Upon direction of the Treasurer or designee, the Paying Agent shall mail written notice of the defeasance of any Bonds to the Owners of such Bonds at the addresses last shown on the registration records for such Bonds maintained by the Registrar.

Section 45. Tax Covenant. The State 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 State, or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission would (i) cause interest on the Bonds to lose

its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the defeasance of all of the Bonds until the date on which all obligations of the State in fulfilling the above covenant under the Code have been met.

Section 46. Modification, Alteration, Supplementation or Amendment of Resolution.

A. The Board may, from time to time, modify, amend, supplement or alter this Resolution without the consent of, or notice to any of the Owners of the Bonds or the insurer of the Bonds, if any, for any one or more of the following purposes:

(1) to add to the agreements of the Board or the State contained in this Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Board or the State;

(2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Resolution, or in regard to matters or questions arising under this Resolution, as the Board may deem necessary or desirable and not inconsistent with this Resolution;

(3) to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owner of the Bonds;

(4) to evidence the appointment of successors to any depositories, custodians, Paying Agent or Registrar; or

(5) to make any other change which shall not have a material adverse effect on the interests of the Owners of the Bonds.

B. The Board may, from time to time, modify, amend, alter, or supplement this Resolution other than as provided in A above; provided that the Board shall give notice to insurer of the Bonds, if any, and the Owners of the Bonds in the manner herein described and shall receive the written consent of the insurer of the Bonds, if any, or the Owners

of not less than 51% of the Bonds then outstanding; provided, however, that no such supplemental proceedings shall:

(1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond outstanding hereunder;

(2) reduce or extend the time of payment of the principal of, redemption premium or interest on any Bond outstanding hereunder;

(3) reduce any premium payable upon the redemption of any Bond hereunder or advance the date upon which any Bond may first be called for redemption prior to its stated maturity date;

(4) give to any Bond or Bonds a preference over any other Bond or Bonds; or

(5) reduce the percentage of Bonds the Owners of which are required to consent to any proceedings amending or supplementing the provisions hereof.

C. In the event that the Board intends to enter into or adopt any modification, alteration or amendment of this Resolution as described in B above, the Treasurer or designee shall mail, by registered or certified mail, to insurer of the Bonds, if any, and the Owners of the Bonds at their addresses as shown on the registration records maintained by the Registrar, a notice of such intention along with a description of such amendment or modification not less than 30 days prior to the proposed effective date of such amendment or modification. The consents of the insurer of the Bonds, if any, or the Owners of the Bonds need not approve the particular form of wording of the proposed amendment, modification or supplement, but it shall be sufficient if such consents approve the substance thereof. Failure of the insurer of the Bonds, if any, or the Owner of any Bond to receive the notice required herein shall not affect the validity of any proceedings supplemental hereto if the insurer of the Bonds, if any, or the required number of Owners of the Bonds shall provide their written consent to such amendment or modification.

D. No such supplemental resolution which is described in B above shall become effective unless the insurer of the Bonds, if any, or Owners of at least 51% in aggregate principal amount of the Bonds then outstanding shall have filed with the secretary of the Board within three (3) months after the date of adoption of such supplemental resolution

properly executed instruments approving the adoption of such supplemental resolution, each such instrument to be accompanied by proof of insurance or ownership of the Bonds satisfactory to the secretary of the Board to which such instrument refers.

E. Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Section shall thereafter form a part of this Resolution and all conditions of this Resolution for any and all purposes, and shall be effective as to all Owners of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Section 47. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on or be affected by the validity or regularity of any proceedings relating to the Project. The Purchaser and any Owner of the Bonds shall in no manner be responsible for the application or disposal by the State or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys described in this Resolution.

Section 48. Limitations upon Contract. The enforceability of the obligations of the State is subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the United States Constitution.

Section 49. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Board shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the Board may, upon notice mailed to each Owner of any Bond at such Owner's address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the State shall have the right to have the same institution serves as both Registrar and Paying Agent hereunder.

Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paying Agent

under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this Resolution to the contrary notwithstanding.

Section 50. Continuing Disclosure Undertaking. The State covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the Disclosure Dissemination Agreement, in substantially the form on file with the secretary of the Board, to be executed by the Treasurer or designee, with any amendments deemed necessary by the Treasurer or designee, and delivered in connection with the delivery of the Bonds.

Section 51. Maintenance and Use of Redemption Account.

A. The Redemption Account shall be maintained by the State in an amount at the time of those initial deposits therein 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 date for the Refunded Bonds as determined by the Treasurer or a deputy thereof and the resolution authorizing the issuance of the Refunded Bonds; and to redeem, on such date the Refunded Bonds then outstanding, in accordance with the resolution authorizing the issuance of the Refunded Bonds.

B. Moneys shall be withdrawn from the Redemption Account to permit the payment without default of interest due in connection with the Refunded Bonds, and the State shall conditionally call for prior redemption all the Refunded Bonds. Any moneys remaining in the Redemption Account after provision shall have been made for the redemption in full of the Refunded Bonds shall revert to the State to be applied to any lawful purpose.

C. If for any reason the amount in the Redemption Account shall at any time be insufficient for its purpose, the State 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 any redemption premiums due in connection with the Refunded Bonds as herein provided.

Section 52. Call of Refunded Bonds. The State hereby elects to call for prior redemption the Refunded Bonds on the date of issuance of the Bonds. Such election and call shall be irrevocable upon the issuance of the Bonds. The paying agent and registrar for the Refunded Bonds is hereby authorized and directed to give conditional notices of calls for redemption, in the manner and at the time required by the resolution authorizing the issuance of

the Refunded Bonds and to give such other notices and calls for redemption as is deemed appropriate or advisable as is directed by the Treasurer or a deputy thereof.

Section 53. Delegated Powers. The officers of the State are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation:

A. The printing of the Bonds, including a statement of insurance, if applicable;

B. The completion and execution of such certificates and agreements as may be reasonably required by the Purchaser relating, among other things, to the execution of the Bonds, the deposit of the Bonds with The Depository Trust Company, the tenure and identity of the officials of the Board and of the State, the delivery of the Bonds, the assessed valuation of the taxable property in and the indebtedness of the State, the receipt of the purchase price of the Bonds, the exemption of interest on the Bonds from gross income and alternative taxable income for federal income tax purposes, and, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bonds;

C. The execution of appropriate agreements with the Registrar and Paying Agent as to their services hereunder;

D. The assembly and dissemination of financial and other information concerning the State and the Bonds;

E. The preparation and circulation of a preliminary official statement, a notice of sale and an official statement for the Bonds in the forms specified by the Treasurer or designee. The Treasurer or designee is authorized to deem the official statement or the preliminary official statement to be a "final" official statement on behalf of the State for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended;

F. The completion and execution of the Certificate of the Treasurer and the Disclosure Dissemination Agreement; and

G. The issuance and sale of the Bonds pursuant to the provisions of this Resolution.

Section 54. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the State, and otherwise taken by the State in connection with:

A. The Project; and

B. The issuance and sale of the Bonds, is ratified, approved and confirmed, including without limitation the preparation and distribution of a preliminary official statement, a notice of sale and a final official statement relating to the Bonds and the supplement thereto and the convening of the meeting at which this Resolution is adopted.

Section 55. Additional Securities. The Board reserves the privilege of issuing additional general obligation securities authorized by law at any time or from time to time for any lawful purpose.

Section 56. Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute an irrevocable contract between the State and the Owner or Owners of the Bonds; and this Resolution, 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 this Resolution may be amended, modified, supplemented or altered pursuant to Section 46 hereof.

Section 57. Repealer. All bylaws, orders, resolutions, other instruments, or parts thereof, inconsistent with this Resolution are repealed to the extent of such inconsistency.

Section 58. Severability. If any section, subsection, paragraph, clause, or other provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution.

Section 59. Effective Date. This Resolution shall be in full force and effect from and after its adoption.

ADOPTED on October 8, 2019.

Steve Sisolak, Governor, Chairman
State Board of Finance

Attest:

Tara Hagan, Secretary
State Board of Finance

EXHIBIT A
FORM OF BOND

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT AND REFUNDING BOND
SERIES 2019A

No.			\$ _____
<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated as of</u>	<u>CUSIP</u>
____%	_____, 20__	_____, 2019	

OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The State of Nevada (the "State") for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner, or registered assigns, the Principal Amount, on the Maturity Date (unless called for earlier redemption), and to pay interest thereon on May 1 and November 1 of each year, commencing on May 1, 2020 at the Interest Rate, until the Principal Amount is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of this Bond. The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of the State's paying agent for the Bonds (as hereinafter defined), presently U.S. Bank National Association (the "Paying Agent"), or at such other office as may be designated by the Paying Agent. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed by first-class mail to the person in whose name this Bond is registered in the registration records of the State maintained by the State's registrar for the Bonds, presently U.S. Bank National Association (the "Registrar"), and at the address appearing thereon, as of the close of business on the fifteenth day of the calendar month preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid (or duly provided for) shall cease to be payable to the person who is the Owner as of the close of business on the Regular Record Date and shall be payable to the person who is the Owner as of the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owner by first-class mail not less than ten (10) days prior thereto. Alternative means of payment of interest may be used if mutually agreed to by the Owner and the Paying Agent, as provided in the resolution of the State Board of Finance of the State (the "Board") authorizing the issuance of the Bonds and designated in Section 1 thereof as the "2019A Capital Improvement and Refunding Bond Resolution" (the

"Resolution"), duly adopted by the Board prior to the issuance of the Bonds. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

This Bond is one of a series of bonds (the "Bonds"), of like tenor except as to number and denominations, issued pursuant to the Resolution.

[The Bonds are issuable solely as fully registered Bonds 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 the charges provided in the Resolution.

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

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 fifteen (15) days before the day of the mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption.

This Bond is transferable by the Owner in person or by such Owner's duly authorized attorney on the registration records kept by the Registrar upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. 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, subject to such terms and conditions, and on payment of the charges as set forth in the Resolution.]

The State, the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute Owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Resolution with respect to Regular and Special Record Dates for the payment of interest.

[The Bonds shall not be transferable or exchangeable except as set forth in the Resolution.]

The Bonds are issued by the State, upon its behalf and upon its credit, for the purpose of paying, wholly or in part, the cost of the Project set forth in the Resolution, under the authority of and in full compliance with the constitution and laws of the State, and pursuant to

the Resolution. A copy of the Resolution is on file in the office of the ex-officio secretary of the State Board of Finance, in Carson City, Nevada, for public inspection.

The Bonds, or portions thereof, will be subject to redemption prior to their respective maturities, at the option of the Board, as provided in the Resolution and the Certificate of the Treasurer.

[Upon partial prior redemption of Bonds, Cede & Co., in its discretion, may request the Registrar to authenticate a new Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Paying Agent prior to prepayment.] ²

[Certain of the Bonds shall be subject to mandatory sinking fund redemption as provided in the Certificate of the Treasurer.] ³

In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar will, without charge to the Owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. Redemption shall be made upon not more than sixty (60) nor less than twenty (20) days prior notice as provided in the Resolution.

This Bond must be registered in the name of the Owner as to both principal and interest on the registration records kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Resolution. No transfer of this Bond shall be valid unless made on the registration records maintained by the Registrar at its principal office, or such other office as may be designated by the Registrar, by the Owner or such Owner's attorney duly authorized in writing.

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the State in the issuance of this Bond; that the total indebtedness of the State, 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 sufficient to pay the principal of, redemption premiums, if any, and interest on this Bond when the same become due (except to the extent other funds 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 State are hereby irrevocably pledged to the punctual payment of the principal of, redemption premiums, if any, and interest on this Bond according to its terms.

Reference is made to the Resolution and all modifications and amendments thereof, if any, to the acts authorizing the issuance of the Bonds, *i.e.*, Chapter 606, Statutes of Nevada, 2017 (the "2017 Project Act"), Chapter 542, Statutes of Nevada, 2019 (the "2019 Project Act") and all laws amendatory thereof, to NRS 349.150 to 349.364, designated in NRS 349.150 thereof as the State Securities Law (the "Bond Act"), to Chapter 348 of NRS (the "Supplemental Bond Act") and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, the

terms and conditions upon which the Bonds are issued, and a statement of rights duties, immunities and obligations of the State, and the rights and remedies of the Owner of this Bond.

The Bonds are issued pursuant to the 2017 Project Act, the 2019 Project Act, the Bond Act, the Supplemental Bond Act, and all laws supplemental thereto; pursuant to NRS 349.274, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 349.354, the Bonds, their transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of Nevada Revised Statutes and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of Nevada Revised Statutes.

In accordance with NRS 349.252, no recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on this Bond or for any claim based thereon or otherwise in respect to the Resolution, against any individual member of the Board, or any officer or other agent of the State, past, present or future, either directly or indirectly through the Board or the State, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the State, acting by and through the Board, has caused this Bond to be signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor of the State, to be countersigned with the manual or facsimile signature of the Controller of the State, and to be attested, signed and executed with the manual or facsimile signature of the Secretary of State; has caused the manual or facsimile impression of the great seal of the State to be affixed hereon; and has caused this Bond to be countersigned, subscribed and executed with the manual or facsimile signature of the State Treasurer; all as of _____, 2019.

THE STATE OF NEVADA

(Manual or Facsimile Signature)
Governor of the State of Nevada

[MANUAL OR FACSIMILE SEAL]

Attest:

(Manual or Facsimile Signature)
Secretary of State

Countersigned:

(Manual or Facsimile Signature)
State Controller

Countersigned:

(Manual or Facsimile Signature)
State Treasurer

- 1 - Insert only if Bonds are delivered pursuant to Section 22(A)(3) of this Resolution.
- 2 - Insert only if the Bonds are initially delivered to the Depository Trust Company pursuant to Section 22(A) of this Resolution.
- 3 - Insert only if the Certificate of the Treasurer designates any of the Bonds as term bonds.

[End of Form of Bond]

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION FOR BONDS]

Date of authentication and registration: _____

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

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Officer

[End of Form of Registrar's Certificate of Authentication for Bonds]

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer
Identification or Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the records kept for registration thereof, with full power
of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

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

[End of Form of Assignment]

[FORM OF PREPAYMENT PANEL]

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

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

[End of Form of Prepayment Panel]

STATE OF NEVADA)
)
CARSON CITY) ss.

I am the duly chosen and qualified Chief Deputy Treasurer of the State of Nevada (the "State") and ex officio secretary of the State Board of Finance (the "Board"), do hereby certify that:

1. The foregoing pages constitute a true, correct, complete and compared copy of the 2019A Capital Improvement and Refunding Bond Resolution, which resolution was passed and adopted by the Board at the duly held meeting of October 8, 2019, in the Old Assembly Chambers of the Capitol Building, Second Floor, 101 N. Carson Street, Carson City, Nevada 89701 and at 555 E. Washington Avenue, Las Vegas, Nevada.

2. The original of the 2019A Capital Improvement and Refunding Bond Resolution was signed by the chairman of the Board and authenticated by me as ex officio secretary of the Board, and was recorded in the minute book of the Board kept for that purpose in my office.

3. The following members of the Board, *i.e.*,

Governor:	Steve Sisolak
Treasurer:	Zachary B. Conine
Controller:	Catherine Byrne
Other Members:	Teresa Courier
	Brian Sagert

attended such meeting and voted in favor of the passage of the 2019A Capital Improvement and Refunding Bond Resolution.

4. All members of the Board were given due and proper notice of such meeting.

5. Pursuant to and in full compliance with NRS 241.020, written notice of such meeting was given at least three working days before the meeting:

(a) By giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the State Treasurer's website; on the official website of the State of Nevada pursuant to NRS 232.2175; at the principal office of the Board, or if there is no principal office, at the building in which the meeting was held; and at least three other separate, prominent places within the jurisdiction of the Board, to wit:

(i) Capitol Building, Carson City, Nevada,

- (ii) Blasdel Building, Carson City, Nevada,
- (iii) Legislative Building, Carson City, Nevada,
- (iv) Nevada State Library, Carson City, Nevada,
- (v) Grant Sawyer Building, Las Vegas, Nevada,
- (vi) City Hall, Reno Nevada,
- (vii) City Hall, Elko, Nevada,
- (viii) City Hall, Henderson, Nevada; and

(c) By giving a copy of the notice to each person, if any, who has requested notice of the meetings of the Board in the same manner in accordance with the provisions of Chapter 241 of NRS.

6. A copy of the notice so given is attached to this certificate as Appendix I.

7. No other proceedings were adopted and no other action taken or considered at such meeting relating to the subject matter of the 2019A Capital Improvement and Refunding Bond Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand on October 8, 2019.

Tara Hagan, Secretary
State Board of Finance

APPENDIX I

(Copy of Notice of Meeting)

RESOLUTION

A RESOLUTION DESIGNATED THE "2019B NATURAL RESOURCES BOND RESOLUTION"; AUTHORIZING THE ISSUANCE AND SALE OF THE STATE OF NEVADA, GENERAL OBLIGATION (LIMITED TAX) NATURAL RESOURCES BONDS, SERIES 2019B; PROVIDING THE PURPOSE FOR WHICH SUCH BONDS ARE ISSUED, THE FORM, TERMS, AND CONDITIONS OF SUCH BONDS, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF SUCH BONDS; AND PROVIDING OTHER RELATED MATTERS.

WHEREAS, the Board of Finance (the "Board") of the State of Nevada (the "State") is authorized by Section 15 of Chapter 542, Statutes of Nevada 2019 and Chapter 437, Statutes of Nevada, 2011, as amended (collectively, the "Tahoe Project Act") to issue \$4,000,000 in general obligation bonds for the purpose of financing the costs of environmental improvement projects for the Lake Tahoe Basin as provided in the Tahoe Project Act (the "Tahoe Project"); and

WHEREAS, the Board has determined at this time to issue general obligation bonds authorized by the legislature pursuant to the Tahoe Project Act in an aggregate principal amount not to exceed \$ \$4,000,000, for the purpose of financing the Tahoe Project; and

WHEREAS, the Board of the State is authorized by Section 17 of Chapter 542, Statutes of Nevada 2019 (the "Water Grants Project Act") to issue \$1,500,000 in general obligation bonds as provided in NRS 349.986 for the program for providing grants for water conservation and capital improvements to certain water systems (the "Water Grants Project" and together with the Tahoe Project, the "Project"); and

WHEREAS, the Board has determined at this time to issue general obligation bonds authorized by the legislature pursuant to the Water Grants Project Act in an aggregate principal amount not to exceed \$1,500,000, for the purpose of financing the Water Grants Project; and

WHEREAS, the State Securities Law, cited as Nevada Revised Statutes ("NRS") 349.150 through and including 349.364, as amended (the "Bond Act"), applies to the bonds authorized hereunder; and

WHEREAS, the Board hereby elects to have the provisions of Chapter 348, Nevada Revised Statutes (the "Supplemental Bond Act") apply to the bonds authorized hereunder; and

WHEREAS, the Board desires to provide for the sale of general obligation bonds of the State to finance the Project and to be designated the "State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B" (the "Bonds"); and

WHEREAS, the Bonds will be sold in the principal amount set forth in the Certificate of the Treasurer (the "Certificate of the Treasurer") which amount is not to exceed \$5,500,000: (i) \$4,000,000 for the purpose of financing the Tahoe Project; (ii) \$1,500,000 for the purpose of financing the Water Grants Project; and

WHEREAS, pursuant to NRS 349.303, the Board is authorized to delegate to the Treasurer or designee the power to accept a binding bid for the Bonds subject to certain requirements specified in this Resolution; and

WHEREAS, the Treasurer or designee is authorized to accept the bid submitted by the lowest responsible bidder for the Bonds as determined by the Treasurer or designee and as set forth in the Certificate of the Treasurer (the "Purchaser"), for the purchase of the Bonds at a price equal to the principal amount thereof, less the discount, of not more than 9 percent of the principal amount, or plus a premium, if any, in each case as shown on the Certificate of the Treasurer, and otherwise upon the terms and conditions provided in this Resolution and in the Certificate of the Treasurer; and

WHEREAS, the Board, on behalf of and in the name of the State, has determined and does declare:

A. To secure and preserve the public health, safety, convenience, and welfare, it is necessary to issue the Bonds for the Project, pursuant to the Tahoe Project Act, the Water Grants Project Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws; and

B. Each of the limitations and other conditions to the issuance of the Bonds in the Tahoe Project Act, the Water Grants Project Act, the Bond Act, the Supplemental Bond Act, and in any other relevant act of the State have been met; and pursuant to NRS 349.352, 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.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF FINANCE OF THE STATE OF NEVADA:

Section 1. Title. This Resolution shall be known as the "2019B Natural Resources Bond Resolution".

Section 2. Defined Terms. In addition to the terms defined in the "Whereas" clauses of this Resolution, capitalized undefined terms used herein shall have the following meanings:

"Acquisition Account" means a separate account held by the Treasurer and designated as the "State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B Acquisition Account."

"Authorized Denomination" means denominations of \$5,000 or any integral multiple thereof.

"Board" means the Board of Finance of the State of Nevada.

"Bond Requirements" means the principal of and interest on the Bonds.

"Bonds" means the State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B.

"Certificate of the Treasurer" means the certificate executed by the Treasurer or designee on or after the sale of the Bonds and on or before the closing on the Bonds.

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

"Consolidated Bond Fund" means the fund created pursuant to NRS 349.236.

"Custodial Deposit" means deposit of Bonds pursuant to a book-entry only system of registration as provided in Section 21 hereof.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., as the disclosure dissemination agent for the State with respect to the Bonds, or any successor disclosure dissemination agent appointed by the State.

"Federal Securities" means federal securities as defined in NRS 349.172, or any successor provision thereto.

"Interest Payment Date" means May 1 and November 1 of each year, commencing the May 1 or November 1 next succeeding the date of delivery of the Bonds.

"Owner" means the person in whose name a Bond is registered on the registration panel affixed to the Bond and the records maintained by the Registrar.

"Paying Agent" means U.S. Bank National Association, and its successors and assigns.

"Registrar" means U.S. Bank National Association, and its successors and assigns.

"Regular Record Date" means the 15th day of the calendar month preceding each Interest Payment Date (other than a special interest payment date established pursuant to Section 17 hereof for defaulted interest).

"Securities Depository" means Cede & Co., as nominee of The Depository Trust Company, or its successor appointed pursuant to Section 22 hereof, which successor must be both a "clearing corporation" as defined in NRS 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended.

"Special Record Date" means a special record date fixed by the Registrar pursuant to Section 17 hereof for the payment of defaulted interest.

"Taxes" means annual general (ad valorem) taxes.

"Treasurer" means the State Treasurer.

Section 3. Authority for Resolution. This Resolution is adopted pursuant to the Tahoe Project Act, the Water Grants Project Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws.

Section 4. Acceptance of Bids. Pursuant to NRS 349.303, the Board hereby delegates to the Treasurer or designee the authority to accept a binding bid for the Bonds from the Purchaser subject to the following requirements:

A. the effective interest rate on the Bond, calculated in accordance with Chapter 99 of NRS, must not exceed by more than 3% the "Index of Twenty Bonds" which was most recently published in The Bond Buyer before the Purchaser's bid was received;

B. the Treasurer or designee, in the Treasurer's or designee's discretion, will determine the dates on which, if any, and the prices at which the Bonds may be called for redemption prior to maturity;

C. the purchase price for the Bonds will be an amount equal to the aggregate principal amount of the Bonds as set forth in the Certificate of the Treasurer less a

discount, if any, of not more than 9 percent of such aggregate principal amount, or plus a premium, if any, all as set forth in the Certificate of the Treasurer; and

D. the aggregate principal amount of the Bonds maturing in any particular year must not exceed \$5,500,000.

Section 5. Life of Project. The Board has determined and declares:

A. The estimated life or estimated period of usefulness of the Project financed or refinanced with the proceeds of the Bonds is not less than the average maturity of the Bonds; and

B. The Bonds will mature at times not exceeding such estimated life or estimated periods of usefulness.

Section 6. Necessity of Project and Bonds. It is necessary and in the best interests of the State that the Board undertake the Project and defray their cost by the issuance of the Bonds.

Section 7. Authorization of Project. The Board has determined to undertake the Project and defray the cost by the issuance of the Bonds.

Section 8. Estimated Cost of Project. The cost of the Project is estimated not to exceed the amount received from the sale of the Bonds, excluding any such cost to be defrayed by any source other than the proceeds of the Bonds.

Section 9. Resolution to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by the Owners thereof from time to time, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the State and the Owners of the Bonds.

Section 10. Bonds Equally Secured. The covenants and agreements of the State and the Board set forth in this Resolution shall be for the equal benefit, protection, and security of the Owners of any and all of the outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction, except as otherwise expressly provided in or pursuant to this Resolution.

Section 11. General Obligations. All of the Bonds and the Bond Requirements shall constitute general obligations of the State, which hereby pledges its full faith and credit for their payment. All Bond Requirements shall be payable from Taxes as provided in this Resolution.

Section 12. Exempted Debt. The issuance of the Bonds constitutes an exercise of the authority conferred by the second paragraph of Section 3, Article 9, of the Constitution of the State, and the Bonds will be treated as bonds to which the limitations stated in the first paragraph of said Section do not apply.

Section 13. Limitations upon Security. Pursuant to NRS 349.250, the payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the State, except the proceeds of Taxes and any other monies pledged for the payment of the Bonds. No property of the State, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 14. Limitations upon Recourse. Pursuant to NRS 349.252, no recourse shall be had for the payment of the Bond Requirements or for any claim based thereon or otherwise upon this Resolution, against any individual member of the Board or any officer or other agent of the State, past, present, or future, either directly or indirectly through the Board or the State, 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.

Section 15. No Repeal of Bond Act. Pursuant to NRS 349.256, the faith of the State is hereby pledged that the Tahoe Project Act, the Water Grants Project Act, the Bond Act, the Supplemental Bond Act and any other law supplemental or otherwise pertaining thereto, and any other act concerning the Bonds or the Taxes, or both, shall neither be repealed nor amended nor otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding Bonds, until all the Bonds have been discharged in full or provision for their payment has been fully made.

Section 16. Authorization of Bonds. For the purpose of defraying the cost of the Project, there are hereby authorized to be issued the Bonds in the aggregate principal amount designated in the Certificate of the Treasurer, not to exceed \$5,500,000 (\$4,000,000 for the purpose of financing the Tahoe Project and \$1,500,000 for the purpose of financing the Water Grants Project) for the purpose of financing the Project.

Section 17. Bond Details. The Bonds will be dated as of their date of delivery to the Purchaser and shall be issued in Authorized Denominations. The Bonds shall bear interest from

their date until their respective fixed maturity dates at the respective rates per annum set forth in the Certificate of the Treasurer calculated on the basis of a 360-day year of twelve 30-day months, payable on each Interest Payment Date; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the applicable rates set forth in the Certificate of the Treasurer from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. The Bonds will mature on the dates and in the principal amounts and bear interest at the rates per annum set forth in the Certificate of the Treasurer. The Bonds will mature within 20 years following their date of delivery.

The principal of any Bond shall be payable to the Owner thereof upon maturity and upon presentation and surrender at the principal office of the Paying Agent, or such other office as may be 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 bear interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Owner thereof by check or draft mailed by first-class mail 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 such Owner's address, as shown on the registration records kept by the Registrar as of the Regular Record Date. 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 person who is the Owner thereof, at such Owner's address, as shown on the registration records of the Registrar as of the close of business on a Special Record Date fixed for the purpose of paying any such defaulted interest. 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 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 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 18. No Optional Redemption. The Bonds shall not be subject to optional redemption prior to their respective maturities at the option of the State.

Section 19. Negotiability. Subject to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each Owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 20. Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 21 hereof:

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, or at such other office as may be designated by the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the Owner or 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 series and 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 series and maturity of other Authorized Denominations, as provided in Section 17 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. The Registrar shall require the payment by the Owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and shall charge a sum sufficient to pay the cost of preparing and authenticating a new Bond.

B. 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; 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 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.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the State 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 series and maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

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

Section 21. Custodial Deposit.

A. Notwithstanding the foregoing provisions of Sections 17 to 20 hereof, the Bonds shall initially be evidenced by one or more Bonds for each year in which the series of Bonds mature in denominations equal to the aggregate principal amounts of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for the Securities Depository. The Bonds may not thereafter be transferred or exchanged except:

- 1.** to any successor of the Securities Depository; or
- 2.** upon the resignation of the Securities Depository or a determination by the State that the Securities Depository is no longer able to carry out its functions, and the designation by the State of a new Securities Depository; or
- 3.** upon the resignation of the Securities Depository or a determination by the State that the Securities Depository is no longer able to carry out its functions, and the failure by the State, after reasonable investigation, to locate another qualified depository institution to carry out such depository functions; or
- 4.** upon determination by the Board that a book-entry only system of registration is not beneficial to the State and/or the Owners of the Bonds.

B. In the case of a transfer to a successor of the Securities Depository as referred to in clause (1) of Subsection A hereof or designation of a new Securities Depository pursuant to clause (2) of Subsection 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 maturity shall be issued to such successor or new Securities Depository, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) or (4) of

Subsection A hereof, and receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in Authorized Denominations as provided in and subject to the limitations of Section 17 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by a Securities Depository.

D. The State, the Registrar and the Paying Agent shall endeavor to cooperate with any Securities Depository 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 Securities Depository on the date they are due.

Section 22. Execution and Authentication.

A. Prior to the execution of any Bond and pursuant to NRS 349.284, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Governor of the State, the State Controller, the Secretary of State and the State Treasurer (the "Governor," the "Controller," the "Secretary" and the "Treasurer," respectively) shall each file with the Secretary such officer's manual signature certified under oath.

B. Pursuant to NRS 349.282, the Bonds shall be approved, signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor, shall be countersigned and executed with the manual or facsimile signature of the Controller, and shall be countersigned, subscribed and executed with the manual or facsimile signature of the Treasurer. There shall be affixed on the Bonds the manual or facsimile impression of the great seal of the State, and each Bond shall each be attested, signed and executed with the manual or facsimile signature of the Secretary.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form provided in Exhibit A, 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 of the Registrar, but it shall

not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Resolution, the Registrar shall be deemed to have assented to all of the provisions of this Resolution.

Section 23. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of their execution shall be the valid and binding obligations of the State, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Governor, the Controller, the Treasurer and the Secretary, at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 24. Incontestable Recital. Pursuant to NRS 349.274, the Bonds shall contain a recital that they are issued pursuant to the Bond Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 25. State Tax Exemption. Pursuant to NRS 349.354, 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 the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

Section 26. Bond Execution. The Governor, Controller, Treasurer and Secretary are authorized and directed to prepare and to execute the Bonds as provided above.

Section 27. Initial Registration. The Registrar shall maintain the registration records of the State for the Bonds, showing the name and address of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond, and its interest rate, bond number and its principal amount.

Section 28. Bond Delivery. After such registration and after their execution and authentication as provided herein, the Treasurer or designee shall cause the Bonds to be delivered to the respective Purchaser thereof, upon payment being made in accordance with the terms of their sale.

Section 29. Bond Form. Subject to the provisions of this Resolution, the Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions,

endorsements and variations as may be required by the circumstances, be required or permitted by this Resolution, or be consistent with this Resolution and necessary and appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Section 30. Consolidated Bond Fund. Pursuant to NRS 349.236, payment of the Bond Requirements of the Bonds shall be made from the Consolidated Bond Fund of the State, under the provisions of NRS 349.080 through 349.140, except to the extent any provision is otherwise made for such payment by the Tahoe Project Act, the Water Grants Project Act, the Bond Act or this Resolution.

Section 31. General Tax Levies. There shall be levied in each calendar year annually until all of the Bond Requirements of the Bonds shall have been fully paid, satisfied and discharged, a Tax on all property, both real and personal, subject to taxation within the boundaries of the State, fully sufficient together with the revenue which will result from the application of the rate to the net proceeds of minerals, to pay and retire the Bonds, without regard to any statutory tax limitations now or thereafter existing, but subject to the limitations imposed by NRS 361.453, and by Section 2 of Article 10 of the Constitution of the State, and after there are made due allowances for probable delinquencies.

Section 32. Budget Provisions. In the preparation of the budget for the State, the State Legislature shall first make proper provisions through the levy of sufficient Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the State, including, without limitation, the Bonds subject to the limitations imposed by Section 2 of Article 10 of the Constitution of the State and by NRS 361.453, and the amount of money necessary for this purpose shall be a first charge against all revenues received by the State.

Section 33. Priorities for Bonds. As provided in NRS 361.463, in any year the total Taxes levied against the property in the State by all overlapping units within the boundaries of the State may exceed the limitation imposed by NRS 361.453 and it shall become necessary for that reason to reduce the levies made by any of those units, the reduction so made shall be in Taxes levied by such units (including, without limitation, the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The Taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over taxes levied by each such unit (including,

without limitation, the State), for all other purposes where reduction is necessary in order to comply with the limitation imposed by NRS 361.453.

Section 34. Correlation of Levies. Such Taxes shall be levied and collected in the same manner and at the same time as other Taxes are levied and collected. The proceeds of Taxes levied to pay interest on the Bonds shall be kept by the Treasurer in a special account designated as the "State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B Tax Account--Interest," and the proceeds of Taxes levied to pay the principal of the Bonds shall be kept in a special account designated as the "State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B Tax Account--Principal." Such funds shall be used for no other purpose than the payment of interest on and principal of the Bonds, respectively, as the same become due.

Section 35. Use of General Fund. Any sums coming due on the Bonds at any time when there are on hand from such Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the State, reimbursement to be made for such general funds in the amounts so advanced when the Taxes have been collected, pursuant to NRS 349.242.

Section 36. Use of Other Funds. Nothing in this Resolution prevents the State from applying any funds (other than Taxes) that may be available for that purpose to the payment of the Bond Requirements of the Bonds, including without limitation any funds described in the Tahoe Project Act, the Water Grants Project Act, and upon such payment, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 349.244.

Section 37. Legislative Duties. In accordance with NRS 349.238 through 349.244, it shall be the duty of the State Legislature, at the time and in the manner provided by law for levying other taxes of the State, if such action shall be necessary to effectuate the provisions of this Resolution, to ratify and carry out the provisions of this Resolution with reference to the annual levy and collection of such Taxes; and the State Legislature shall require the officers of the State to levy, extend and collect such Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds.

Section 38. Appropriation of Taxes. In accordance with NRS 349.248, there is specially appropriated the proceeds of such Taxes to the payment of the Bond Requirements of the

Bonds; and such appropriations shall neither be repealed nor such Taxes postponed or diminished (except as otherwise expressly provided) until the Bond Requirements of the Bonds have been wholly paid.

Section 39. Use of Bond Proceeds. Pursuant to NRS 349.294, amounts received from the sale of the Bonds shall be deposited promptly by the Treasurer and shall be accounted for in the following manner and priority and are hereby pledged for such purposes:

A. First, an amount sufficient to pay the costs of issuance of the Bonds shall be credited to the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B Costs of Issuance Account (the "Costs of Issuance Account") to be held by the Treasurer and used for the purpose of paying the costs of issuance of the Bonds. Any proceeds of the Bonds remaining in the Costs of Issuance Account after paying the costs of issuance of the Bonds shall be deposited in the Acquisition Account.

B. Second, the amount received from the sale of the Bonds for the purposes of effecting the Project shall be credited to the Acquisition Account hereby created.

Section 40. Investments. Pursuant to NRS 349.304, the Board hereby authorizes the Treasurer to cause to be invested and reinvested any proceeds of Taxes and any proceeds from the issuance of the Bonds. Pursuant to NRS 349.304, (i) any gain from the investment of any proceeds of the Bonds credited to the Acquisition Account shall be deposited promptly upon its receipt to the Acquisition Account and applied to the Project; and (ii) any gain from the investment of any proceeds of the Bonds credited to the Cost of Issuance Account shall be deposited promptly upon its receipt to the Costs of Issuance Account and applied to the costs of issuance of the Bonds.

Section 41. Use of Acquisition Account. The moneys in the Acquisition Account, except as otherwise expressly provided, shall be used and paid out solely for the purpose of paying the cost of the Project and the costs of issuance of the Bonds.

Section 42. Defeasance. When all Bond Requirements of the Bond have been duly paid, the pledge and lien and all obligations hereunder with respect to such Bond shall thereby be discharged and such Bond shall no longer be deemed to be outstanding within the meaning of this Resolution. The Bond will be deemed to be paid when there has been placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be initially

invested) to meet all Bond Requirements of such Bond, as the same become due to the final maturity thereof, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule then. The Federal Securities shall become due at or before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the escrow agent at the time of the creation of the escrow or trust. 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 holder thereof. Upon direction of the Treasurer or designee, the Paying Agent shall mail written notice of the defeasance of any Bonds to the Owners of such Bonds at the addresses last shown on the registration records for such Bonds maintained by the Registrar.

Section 43. Tax Covenant. The State 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 State, or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission would (i) cause interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code or (ii) cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55 (b)(2) of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the defeasance of all of the Bonds until the date on which all obligations of the State in fulfilling the above covenant under the Code have been met.

Section 44. Modification, Alteration, Supplementation or Amendment of Resolution.

A. The Board may, from time to time, modify, amend, supplement or alter this Resolution without the consent of, or notice to any of the Owners of the Bonds or the insurer of the Bonds, if any, for any one or more of the following purposes:

1. to add to the agreements of the Board or the State contained in this Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Board or the State;

2. to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this

Resolution, or in regard to matters or questions arising under this Resolution, as the Board may deem necessary or desirable and not inconsistent with this Resolution;

3. to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owners of the Bonds;

4. to evidence the appointment of successors to any depositories, custodians, Paying Agent or Registrar; or

5. to make any other change which shall not have a material adverse effect on the interests of the Owners of the Bond.

B. The Board may, from time to time, modify, amend, alter, or supplement this Resolution other than as provided in A above; provided that the Board shall give notice to insurer of the Bonds, if any, and the Owners of the Bonds in the manner herein described and shall receive the written consent of the insurer of the Bonds, if any, or the Owners of not less than 51% of the Bonds then outstanding; provided, however, that no such supplemental proceedings shall:

1. extend the maturity date with respect to any Bond outstanding hereunder;

2. reduce or extend the time of payment of the principal of or interest on any Bond outstanding hereunder;

3. give to any Bond or Bonds a preference over any other Bond or Bonds; or

4. reduce the percentage of Bonds the Owners of which are required to consent to any proceedings amending or supplementing the provisions hereof.

C. In the event that the Board intends to enter into or adopt any modification, alteration or amendment of this Resolution as described in B above, the Treasurer or designee shall mail, by registered or certified mail, to insurer of the Bonds, if any, and the Owners of the Bonds at their addresses as shown on the registration records maintained by the Registrar, a notice of such intention along with a description of such amendment or modification not less than 30 days prior to the proposed effective date of such amendment or modification. The consents of the insurer of the Bonds, if any, or the Owners of the Bonds need not approve the particular form of wording of the proposed amendment, modification or supplement, but it shall be sufficient if such

consents approve the substance thereof. Failure of the insurer of the Bonds, if any, or the Owner of any Bond to receive the notice required herein shall not affect the validity of any proceedings supplemental hereto if the insurer of the Bonds, if any, or the required number of Owners of the Bonds shall provide their written consent to such amendment or modification.

D. No such supplemental resolution which is described in B above shall become effective unless the insurer of the Bonds, if any, or Owners of at least 51% in aggregate principal amount of the Bonds then outstanding shall have filed with the secretary of the Board within three (3) months after the date of adoption of such supplemental resolution properly executed instruments approving the adoption of such supplemental resolution, each such instrument to be accompanied by proof of insurance or ownership of the Bonds satisfactory to the Secretary to which such instrument refers.

E. Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Section shall thereafter form a part of this Resolution and all conditions of this Resolution for any and all purposes, and shall be effective as to all Owners of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Section 45. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on or be affected by the validity or regularity of any proceedings relating to the Project. The Purchaser and any Owner of the Bonds shall in no manner be responsible for the application or disposal by the State or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys described in this Resolution.

Section 46. Limitations upon Contract. The enforceability of the obligations of the State is subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the United States Constitution.

Section 47. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Board shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the Board may, upon notice mailed to each Owner of any Bond at such Owner's address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or

dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the State shall have the right to have the same institution serves as both Registrar and Paying Agent hereunder.

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

Section 48. Delegated Powers. The officers of the State are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation:

A. The printing of the Bonds, including a statement of insurance, if applicable;

B. The completion and execution of such certificates and agreements as may be reasonably required by the Purchaser relating, among other things, to the execution of the Bonds, the deposit of the Bonds with The Depository Trust Company, the tenure and identity of the officials of the Board and of the State, the delivery of the Bonds, the assessed valuation of the taxable property in and the indebtedness of the State, the receipt of the purchase price of the Bonds, the exemption of interest on the Bonds from gross income and alternative taxable income for federal income tax purposes, and, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bonds;

C. The execution and completion of appropriate agreements with the Registrar and Paying Agent as to their services hereunder;

D. The assembly and dissemination of financial and other information concerning the State and the Bonds;

E. The preparation and circulation of a preliminary official statement, notice of sale and official statement for the Bonds in the forms specified by the Treasurer or

designee. The Treasurer or designee is authorized to deem the official statement or the preliminary official statement to be a "final" official statement on behalf of the State for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended;

F. The completion of the Certificate of the Treasurer and the Disclosure Dissemination Agreement; and

G. The issuance and sale of the Bonds pursuant to the provisions of this Resolution.

Section 49. Continuing Disclosure Undertaking. The State covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the Disclosure Dissemination Agreement, in substantially the form on file with the Secretary of the Board, to be executed by the Treasurer or designee, with any amendments deemed necessary by the Treasurer or designee, and delivered in connection with the delivery of the Bonds.

Section 50. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the State, and otherwise taken by the State in connection with:

A. The Project; and

B. The issuance and sale of the Bonds, is ratified, approved and confirmed, including without limitation the preparation and distribution of a preliminary official statement and a final official statement relating to the Bonds and the supplement thereto and the convening of the meeting at which this Resolution is adopted.

Section 51. Additional Securities. The Board reserves the privilege of issuing additional general obligation securities authorized by law at any time or from time to time for any lawful purpose.

Section 52. Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute an irrevocable contract between the State and the Owner or Owners of the Bonds; and this Resolution, 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 this Resolution may be amended, modified, supplemented or altered.

Section 53. Repealer. All bylaws, orders, resolutions, other instruments, or parts thereof, inconsistent with this Resolution are repealed to the extent of such inconsistency.

Section 54. Severability. If any section, subsection, paragraph, clause, or other provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution.

Section 55. Effective Date. This Resolution shall be in full force and effect from and after its adoption.

ADOPTED on October 8, 2019.

Steve Sisolak, Governor, Chairman
State Board of Finance

Attest:

Tara Hagan, Secretary
State Board of Finance

EXHIBIT A

FORM OF BOND

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
NATURAL RESOURCES BOND
SERIES 2019B**

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated as of</u>	<u>CUSIP NO.</u>
____ % per annum	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The State of Nevada (the "State") for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner, or registered assigns, the Principal Amount, on the Maturity Date, and to pay interest thereon on May 1 and November 1 of each year, commencing on _____ 1, 20__ at the Interest Rate calculated on the basis of a 360 day year of twelve 30-day months, until the Principal Amount is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of this Bond. The principal of this Bond is payable upon presentation and surrender hereof at the principal office of the State's paying agent for the Bonds (as hereinafter defined), presently U.S. Bank National Association (the "Paying Agent"), or at such other office as may be designated by the Paying Agent. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed by first-class mail to the person in whose name this Bond is registered in the registration records of the State maintained by the State's registrar for the Bonds, presently U.S. Bank National Association (the "Registrar"), and at the address appearing thereon, as of the close of business on the 15th day of the calendar month preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid (or duly provided for) shall cease to be payable to the person who is the Owner as of the close of business on the Regular Record Date and shall be payable to the person who is the Owner as of the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owner by first-class mail not less than ten (10) days prior thereto. Alternative means of payment of interest may be used if mutually agreed to by the Owner and the Paying Agent, as provided in the resolution of the State Board of Finance of

the State (the "Board") authorizing the issuance of the Bonds and designated in Section 1 thereof as the "2019B Natural Resources Bond Resolution" (the "Resolution"), duly adopted by the Board prior to the issuance of the Bonds. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

This Bond is one of a series of bonds (the "Bonds"), of like tenor except as to number and denominations, issued pursuant to the Resolution.

[The Bonds are issuable solely as fully registered Bonds 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 the charges provided in the Resolution.

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

This Bond is transferable by the Owner in person or by such Owner's duly authorized attorney on the registration records kept by the Registrar upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. 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, subject to such terms and conditions, and on payment of the charges as set forth in the Resolution.] ¹

The State, the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute Owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Resolution with respect to Regular and Special Record Dates for the payment of interest.

[The Bonds shall not be transferable or exchangeable except as set forth in the Resolution.] ²

The Bonds are issued by the State, upon its behalf and upon its credit, for the purpose of paying, wholly or in part, the cost of the Project set forth in the Resolution, under the authority of and in full compliance with the constitution and laws of the State, and pursuant to the Resolution. A copy of the Resolution is on file in the office of the ex officio secretary of the Board, in Carson City, Nevada, for public inspection.

This Bond must be registered in the name of the Owner as to both principal and interest on the registration records kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Resolution. No transfer of this Bond shall be valid unless made on the registration records maintained by the Registrar at its principal office, or such other office as may be designated by the Registrar, by the Owner or such Owner's attorney duly authorized in writing.

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the State in the issuance of this Bond; that the total indebtedness of the State, 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 sufficient to pay the principal of and interest on this Bond when the same become due (except to the extent other funds 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 State are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond according to its terms.

Reference is made to the Resolution and all modifications and amendments thereof, if any, to the act authorizing the issuance of the Bonds, *i.e.*, Section 15 of Chapter 542, Statutes of Nevada 2019 and Chapter 437, Statutes of Nevada, 2011, as amended (collectively, the "Tahoe Project Act"), Section 17 of Chapter 542, Statutes of Nevada 2019 (the "Water Grants Project Act") and all laws amendatory thereof, to NRS 349.150 to 349.364, designated in NRS 349.150 thereof as the State Securities Law (the "Bond Act"), to Chapter 348, Nevada Revised Statutes (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 accounts, funds or revenues pledged, the terms and conditions upon which the Bonds are issued, and a statement of rights duties, immunities and obligations of the State, and the rights and remedies of the Owner of this Bond.

The Bonds are issued pursuant to the Tahoe Project Act, the Water Grants Project Act, the Bond Act, the Supplemental Bond Act, and all laws supplemental thereto; pursuant to NRS 349.274, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 349.354, the Bonds, their transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of Nevada Revised Statutes and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of Nevada Revised Statutes.

In accordance with NRS 349.252, no recourse shall be had for the payment of the principal of and interest on this Bond or for any claim based thereon or otherwise in respect to the Resolution, against any individual member of the Board, or any officer or other agent of the State, past, present or future, either directly or indirectly through the Board or the State, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the State, acting by and through the Board, has caused this Bond to be signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor of the State, to be countersigned with the manual or facsimile signature of the Controller of the State, and to be attested, signed and executed with the manual or facsimile signature of the Secretary of State; has caused the manual or facsimile impression of the great seal of the State to be affixed hereon; and has caused this Bond to be countersigned, subscribed and executed with the manual or facsimile signature of the State Treasurer; all as of _____, 2019.

THE STATE OF NEVADA

(Manual or Facsimile Signature)

Governor of the State of Nevada

[MANUAL OR FACSIMILE SEAL]

Attest:

(Manual or Facsimile Signature)

Secretary of State

Countersigned:

(Manual or Facsimile Signature)

State Controller

Countersigned:

(Manual or Facsimile Signature)

State Treasurer

- 1 - Insert only if Bonds are delivered pursuant to Section 21A(A)(3) of this Resolution.
- 2 - Insert only if the Bonds are initially delivered to the Depository Trust Company pursuant to Section 21(A) of this Resolution.

[End of Form of Bond]

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION FOR BONDS]

Date of authentication and registration:

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

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Officer

[End of Form of Registrar's Certificate of Authentication for Bonds]

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer
Identification or Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the records kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

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

[End of Form of Assignment]

[FORM OF PREPAYMENT PANEL]

The following installments of principal (or portions thereof) of this bond have been prepaid in accordance with the terms of the Resolution authorizing the issuance of this bond.

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

[End of Form of Prepayment Panel]

STATE OF NEVADA)
) **ss.**
CARSON CITY)

I am the duly chosen and qualified Chief Deputy Treasurer of the State of Nevada (the "State"), and ex officio secretary of the State Board of Finance (the "Board"), and do hereby certify that:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution was passed and adopted by the Board at the duly held meeting of October 8, 2019, in the Old Assembly Chambers of the Capitol Building, Second Floor, 101 N. Carson Street, Carson City, Nevada 89701 and at 555 E. Washington Avenue, Las Vegas, Nevada (the "Resolution").

2. The original of the Resolution was signed by the chairman of the Board and authenticated by me as ex officio secretary of the Board, and was recorded in the minute book of the Board kept for that purpose in my office.

3. The following members of the Board, *i.e.*,

Governor:	Steve Sisolak
Treasurer:	Zachary B. Conine
Controller:	Catherine Byrne
Other Members:	Teresa Courier Brian Sagert

attended such meeting and voted in favor of the passage of the Resolution.

4. All members of the Board were given due and proper notice of such meeting.

5. Pursuant to and in full compliance with NRS 241.020, written notice of such meeting was given at least three working days before the meeting:

(a) By giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the State Treasurer's website; on the official website of the State of Nevada pursuant to NRS 232.2175, at the principal office of the Board, or if there is no principal office, at the building in which the meeting was held, and at least three other separate, prominent places within the jurisdiction of the Board, to wit:

(i) Capitol Building, Carson City, Nevada,

- (ii) Blasdel Building, Carson City, Nevada,
- (iii) Legislative Building, Carson City, Nevada,
- (iv) Nevada State Library, Carson City, Nevada,
- (v) Grant Sawyer Building, Las Vegas, Nevada,
- (vi) City Hall, Reno, Nevada,
- (vii) City Hall, Elko, Nevada,
- (viii) City Hall, Henderson, Nevada;

and

(c) By giving a copy of the notice to each person, if any, who has requested notice of the meetings of the Board in the same manner in accordance with the provisions of Chapter 241 of NRS.

6. A copy of the notice so given is attached to this certificate as Appendix I.

7. No other proceedings were adopted and no other action taken or considered at such meeting relating to the subject matter of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand on October 8, 2019.

Tara Hagan, Secretary
State Board of Finance

APPENDIX I

(Copy of Notice of Meeting)

RESOLUTION

A RESOLUTION DESIGNATED THE "2019C REVOLVING FUND MATCHING APPROVAL RESOLUTION"; APPROVING THE ISSUANCE OF THE STATE OF NEVADA, GENERAL OBLIGATION (LIMITED TAX) SAFE DRINKING WATER REVOLVING FUND MATCHING BONDS, SERIES 2019C.

WHEREAS, Nevada Revised Statutes ("NRS") 349.225 requires that the Board of Finance (the "Board") of the State of Nevada (the "State") approve the issuance of general obligation bonds of the State; and

WHEREAS, the Board has been advised that the State Treasurer, subject to the approval of the Board and at the direction of the State Administrator of the Division of Environmental Protection of the Department of Conservation and Natural Resources, will authorize the issuance of the State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C in the maximum aggregate principal amount of \$5,800,000 (the "Bonds"); and

WHEREAS, the Board has received a copy of the order to be executed by the State Treasurer (the "Order") in substantially the form on file with the Secretary to the Board with such amendments as deemed necessary by the State Treasurer authorizing the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FINANCE OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as the "2019C Revolving Fund Matching Approval Resolution."

Section 2. The Board and the officers of the State, including, but not limited to the State Treasurer or designee are authorized to take all actions necessary toward the issuance of the Bonds, including without limitation, the preparation and distribution of a preliminary official statement (and the deeming "final" thereof by the State Treasurer or designee) and a final official statement, a disclosure dissemination agreement and the completion and execution of the Order authorizing the issuance of the Bonds is hereby approved, authorized and confirmed.

Section 3. In order to permit the State to reimburse itself for prior expenditures from the proceeds of the Bonds, the Board hereby determines and declares as follows:

(a) The State reasonably expects to incur expenditures with respect to the project being financed with the proceeds of the Bonds prior to the issuance of the Bonds and to reimburse those expenditures from the issuance of the Bonds; and

(b) The maximum principal amount of the Bonds expected to be issued is \$5,800,000 for the Improvement Project as defined in the Order.

Section 4. The officers of the State and the Board are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this resolution, including without limitation, the execution and delivery of the Bonds.

PASSED, ADOPTED AND APPROVED on October 8, 2019.

Steve Sisolak, Governor, Chairman
State Board of Finance

Attest:

Tara Hagan, Secretary
State Board of Finance

STATE OF NEVADA)
) ss.
CARSON CITY)

I am the duly chosen and qualified Chief Deputy Treasurer of the State of Nevada (the "State"), and ex officio secretary of the State Board of Finance (the "Board"), do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution passed and adopted by the Board at its duly held meeting of October 8, 2019, in the Old Assembly Chambers of the Capitol Building, Second Floor, 101 N. Carson Street, Carson City, Nevada and at 555 E. Washington Avenue, Las Vegas, Nevada (the "Resolution").

2. The original of the Resolution was signed by the chairman of the Board and authenticated by me as secretary of the Board, and was recorded in the minute book of the Board kept for that purpose in my office.

3. The members of the Board listed below attended such meeting and voted in favor of the passage of the Resolution:

Governor:	Steve Sisolak
Treasurer:	Zachary B. Conine
Controller:	Catherine Byrne
Other Members:	Teresa Courier
	Brian Sagert

4. All members of the Board were given due and proper notice of such meeting.

5. Pursuant to NRS 241.020, written notice of such meeting was given at least three working days before the meeting:

(a) By giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the State Treasurer's website; on the official website of the State pursuant to NRS 232.2175, at the principal office of the Board; or if there is no principal office, at the building in which the meeting was held; and at least three other separate, prominent places within the jurisdiction of the Board, to wit:

- (i) Capitol Building, Carson City, Nevada,
- (ii) Blasdel Building, Carson City, Nevada,
- (iii) Legislative Building, Carson City, Nevada,

- (iv) Nevada State Library, Carson City, Nevada,
- (v) Grant Sawyer Building, Las Vegas, Nevada,
- (vi) City Hall, Reno, Nevada,
- (vii) City Hall, Elko, Nevada,
- (viii) City Hall, Henderson, Nevada;

(c) By giving a copy of the notice to each person, if any, who had requested notice of the meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

6. A copy of the notice so given is attached to this certificate as Appendix A.

7. No other proceedings were adopted and no other action taken or considered at such meeting relating to the subject matter of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand October 8, 2019.

Tara Hagan, Secretary
State Board of Finance

EXHIBIT A

(Attach Copy of Notice of Meeting)

ORDER

AN ORDER DESIGNATED THE "2019C REVOLVING FUND MATCHING BOND ORDER"; AUTHORIZING THE SALE AND ISSUANCE OF THE STATE OF NEVADA GENERAL OBLIGATION (LIMITED TAX) SAFE DRINKING WATER REVOLVING FUND MATCHING BONDS, SERIES 2019C; PROVIDING THE PURPOSE FOR WHICH SUCH BONDS ARE ISSUED, THE FORM, TERMS, AND CONDITIONS OF SUCH BONDS, THE SECURITY THEREFOR, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF SUCH BONDS; AND PROVIDING OTHER RELATED MATTERS.

WHEREAS, the State of Nevada (the "State") is authorized by Nevada Revised Statutes ("NRS") 445A.200 through 445A.295 (the "Act") to issue general obligation bonds for the purpose of supporting the purposes of the account to finance the construction of projects created in the State treasury, and known as the account for the revolving fund (the "Revolving Fund"); and

WHEREAS, the administrator of the Division of Environmental Protection of the Department of Conservation and Natural Resources (respectively, the "Administrator", the "Division" and the "Department") has authorized the State Treasurer to issue bonds for the project, as defined in NRS 445A.230 (the "Improvement Project") and to pay the costs of issuing the bonds (collectively, the "Project"), subject to the approval of the State Board of Finance (the "Board"); and

WHEREAS, the Board has approved the issuance of the "State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C" (the "Bonds") by the State Treasurer; and

WHEREAS, pursuant to NRS 445A.290(1) the Bonds issued for the Project are exempt, pursuant to the second paragraph of section 3, article 9, of the constitution of the State, from the State's debt limit; and

WHEREAS, the State hereby elects to apply the State Securities Law, cited as NRS 349.150 through 349.364, as amended (the "Bond Act") to the issuance of the Bonds, except as it may be inconsistent with the Act; and

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

WHEREAS, the State has provided for the sale of the Bonds, and has determined to accept a proposal (the "Bond Purchase Proposal") submitted by the purchaser (the "Purchaser") for the purchase of the Bonds as set forth in the certificate of the State Treasurer or designee (the "Certificate of the Treasurer") and upon the terms and conditions provided in this Order and the Certificate of the Treasurer; and

WHEREAS, the State Treasurer, at the direction of the Administrator and with the approval of the Board, on the behalf and in the name of the State, has determined and does declare:

A. To secure and preserve the public health, safety, convenience, and welfare, it is necessary to issue the Bonds for the Project, pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws;

B. Each of the limitations and other conditions to the issuance of the Bonds in the Act, the Bond Act, the Supplemental Bond Act, and in any other relevant act of the State has been met; and pursuant to NRS 349.352, this determination that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse or discretion; and

C. The issuance of the Bonds pursuant to the Act, the Bond Act, and the Supplemental Bond Act is necessary, expedient and advisable for the protection and preservation of the property and natural resources of the State, and for the purpose of obtaining the benefits thereof, and constitutes an exercise of the authority conferred by the second paragraph of section 3, article 9, of the constitution of the State.

NOW, THEREFORE, IT IS ORDERED BY THE TREASURER OF THE STATE OF NEVADA UPON AUTHORIZATION OF THE ADMINISTRATOR OF THE DIVISION OF ENVIRONMENTAL PROTECTION OF THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES AND WITH THE APPROVAL OF THE STATE BOARD OF FINANCE THAT:

Section 1. Title. This order shall be known as the "2019C Revolving Fund Matching Bond Order" (the "Order").

Section 2. Authority for Order. This Order is adopted pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws.

Section 3. Authorization of Bond Purchase Proposal. The Bond Purchase Proposal submitted by the Purchaser is hereby accepted, subject to the terms and conditions of this Order and the Certificate of the Treasurer.

Section 4. Life of Project. The State Treasurer has determined and declares:

A. The estimated life or estimated period of usefulness of the Improvement Project financed with loans from the Revolving Fund is not less than the average maturity of the Bonds; and

B. The Bonds will mature at times not exceeding such estimated life or estimated periods of usefulness.

Section 5. Necessity of Project and Bonds. It is necessary and in the best interests of the State that the Project be undertaken and that its cost be defrayed by the issuance of the Bonds.

Section 6. Authorization of Project. The State Treasurer has determined to undertake the Project and defray its cost by the issuance of the Bonds.

Section 7. Estimated Cost of Project. The cost of the Project is estimated to be at least the principal amount of the Bonds, excluding any such cost to be defrayed by any source other than the proceeds of the Bonds.

Section 8. Order to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by the owners thereof from time to time, the provisions of this Order shall be deemed to be and shall constitute a contract between the State and the owners of the Bonds.

Section 9. Bonds Equally Secured. The covenants and agreements of the State set forth in this Order shall be for the equal benefit, protection, and security of the owners of any and all of the outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction, except as otherwise expressly provided in or pursuant to this Order.

Section 10. General Obligations; Security. All of the Bonds, as to principal, interest and any redemption premium (the "Bond Requirements") shall constitute general obligations of the State, which hereby pledges its full faith and credit for their payment. All Bond Requirements shall be payable from annual general (ad valorem) taxes ("Taxes"), as provided in this Order. Pursuant to NRS 445A.290(4), the money in the Revolving Fund that is available for the payment of

the interest and installments of principal on the Bonds is hereby pledged as the primary security for the Bonds. This pledge is not exclusive and neither this pledge nor any other provision of this Order prevents or limits any other pledge of moneys in the Revolving Fund, including, without limitation, any such pledge that is superior to, on a parity with or subordinate to the pledge made hereby to the Bonds.

Section 11. Exempted Debt. The issuance of the Bonds constitutes an exercise of the authority conferred by the second paragraph of section 3, article 9, of the constitution of the State.

Section 12. Limitations upon Security. Pursuant to NRS 349.250, the payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the State, except the proceeds of Taxes and any other moneys pledged for the payment of the Bonds. No property of the State, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 13. Limitations upon Recourse. Pursuant to NRS 349.252, no recourse shall be had for the payment of the Bond Requirements or for any claim based thereon or otherwise upon this Order, against the Administrator or any other officer or agent of the State, past, present, or future, either directly or indirectly through the State, 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.

Section 14. No Repeal of Bond Act. Pursuant to NRS 349.256, the faith of the State is hereby pledged that the Act, the Bond Act, the Supplemental Bond Act and any other law supplemental or otherwise pertaining thereto, and any other act concerning the Bonds or the Taxes, or both, shall neither be repealed nor amended nor otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding Bonds, until all the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

Section 15. Authorization of Bonds. For the purpose of defraying the cost of the Project, there are hereby authorized to be issued the "State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C", in the aggregate principal amount set forth in the Certificate of the Treasurer (not to exceed \$5,800,000 for the Improvement Project).

Section 16. Bond Details. The Bonds shall be dated as of the date of delivery of the Bonds, and except as otherwise provided in Section 21 hereof, shall be issued in fully registered form 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). The Bonds shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from their date until their respective fixed maturity dates at the respective rates designated below, payable on February 1 and August 1 in each year, commencing on February 1, 2020; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown below 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 in each of the designated amounts of principal and on the designated dates as set forth in the Certificate of the Treasurer.

The principal of and premium, if any, on any Bond, shall be payable to the owner thereof as shown on the registration records kept by U.S. Bank National Association (the "Registrar"), upon maturity or prior redemption, if any, thereof and upon presentation and surrender at the corporate trust office of U.S. Bank National Association (the "Paying Agent"), or such other office as designated by the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Except as otherwise provided in Section 21 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 its address, as shown on the registration records kept by the Registrar as of the close of business on the 15th 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 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 its address, as shown on the registration records of the Registrar as of the close of business on a date fixed to determine the names and addresses of owners for the purpose of paying defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Bonds not less than ten days prior thereto by first-class mail

postage prepaid 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 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 17. Prior Redemption.

A. Optional Redemption. The Bonds are not subject to optional redemption prior to their respective maturities.

B. Extraordinary Mandatory Redemption. In the event that (i) less than 30% of the net proceeds of the Bonds allocated to the Improvement Project have been used directly or indirectly to make or finance loans to ultimate borrowers within one year of the date of issue of the Bonds, or (ii) less than 95% of the net proceeds of the Bonds allocated to the Improvement Project have been used directly or indirectly to make or finance loans to ultimate borrowers within three years of the date of issue of the Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Bonds, a principal amount of the Bonds equal to (a) the amount of net proceeds required to be used to make or finance loans under clause (i) or (ii) of the preceding sentence, respectively, less (b) the amount of net proceeds actually used for such purpose at the end of the one-year or three-year period, respectively. The redemption date shall be a date not later than 90 days following the applicable one-year or three-year period. Such redemption shall be at a price equal to the principal amount of each Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, and shall be payable from proceeds of the Bonds on deposit in the Acquisition Account (as defined below). Such redemption shall be in denominations of \$5,000 or integral multiples thereof, provided that not less than the required amount of Bonds set forth above is redeemed. Notice of such redemption shall be given as provided in Section 18 of this Order. For purposes of this paragraph, "net proceeds" has the meaning given such term by Section 150 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, but does not include (i) proceeds used to finance issuance costs or (ii) proceeds necessary to pay interest on the Bonds during such period.

C. Partial Redemption. In the case of Bonds of a denomination larger

than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed pursuant to Subsection B of this Section, in which case the Registrar, except as provided in Section 21 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 B of this Section, the Registrar shall select the Bonds to be redeemed by lot (in such manner as the Registrar may determine) at such time as directed by the State.

Section 18. Redemption Notice. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Paying Agent (on direction of the State Treasurer or designee), by electronic mail as long as Cede & Co. or a nominee or a successor depository is the Owner of the Bonds, and otherwise by first-class, postage prepaid mail, at least 20 days but not more than 60 days prior to the redemption date, to the registered owner of any Bond all or a part of which is called for prior redemption at the address as it last appears on the registration records kept by the Registrar, and electronically (1) to the Disclosure Dissemination Agent or (2) if Digital Assurance Certification, L.L.C. no longer serves as the Disclosure Dissemination Agent and the State has not appointed a successor Disclosure Dissemination Agent, to the Municipal Securities Rulemaking Board ("MSRB") via its Electronic Municipal Market Access system. The notice shall identify the Bonds or portions thereof to be redeemed, the date of issue of the Bonds, specify the redemption date, the place or places of redemption, the series and maturities, the redemption price, the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the amount of the such maturity of the Bonds to be redeemed. The notice shall also state that on the redemption date the principal amount thereof and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the redemption date being payable by mail or as otherwise provided in this Order), and that after such redemption date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of notice by the Disclosure Dissemination Agent, MSRB or the registered owners of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the Disclosure Dissemination Agent, 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 holder whose Bond is called for redemption or any other holder 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. For purposes of this paragraph, "Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., as the disclosure dissemination agent for the State with respect to the Bonds, or any successor disclosure dissemination agent appointed by the State.

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

Section 19. Negotiability. Subject to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 20. Registration. Transfer and Exchange of Bonds. Except as otherwise provided in Section 21 hereof:

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 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 16 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. The Registrar shall require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with

respect to such exchange or transfer and shall charge a sum sufficient to pay the cost of preparing and authenticating a new Bond.

B. 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 16 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 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.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the State 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, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

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

Section 21. Custodial Deposit.

A. Notwithstanding the foregoing provisions of Sections 16 to 20 hereof, the Bonds shall initially be evidenced by one or more Bonds for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

- (1) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in

NRS 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this Subsection A or a determination by the State 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 State of another depository institution acceptable to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in NRS 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this Subsection A or a determination by the State 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 State, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of Subsection A hereof or designation of a new depository pursuant to clause (2) of Subsection A hereof, upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of Subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of Subsection A hereof, and upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations, as provided in and subject to the limitations of Section 16 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer

instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

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

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

Section 22. Execution and Authentication.

A. Prior to the execution of any Bond by facsimile signature pursuant to NRS 349.284, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351 of NRS, and to the Supplemental Bond Act, the Governor of the State, the State Controller, the Secretary of State and the State Treasurer (the "Governor," the "Controller," the "Secretary" and the Treasurer," respectively) shall each file with the Secretary of State such officer's manual signature certified by such officer under oath.

B. The Bonds shall be approved, signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor, shall be countersigned and executed with the manual or facsimile signature of the Controller, and shall be countersigned, subscribed and executed with the manual or facsimile signature of the Treasurer. There shall be affixed on the Bonds the manual or facsimile impression of the great seal of the State, and each Bond shall each be attested, signed and executed with the manual or facsimile signature of the Secretary.

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

Section 23. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of their execution shall be the valid and binding obligations of the State, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Governor, the Controller, the Treasurer and the Secretary, at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 24. Incontestable Recital. Pursuant to NRS 349.274, the Bonds shall contain a recital that they are issued pursuant to the Bond Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 25. State Tax Exemption. 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 the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

Section 26. Bond Execution. The Governor, Controller, Treasurer and Secretary are authorized and directed to prepare and to execute the Bonds as provided above.

Section 27. Initial Registration. The Registrar shall maintain the registration records of the State for the Bonds, showing the name and address of the owner of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond, and its interest rate, principal amount, and bond number.

Section 28. Bond Delivery. After such registration and after their execution and authentication as provided herein, the Treasurer shall cause the Bonds to be delivered to the Purchaser, upon payment being made in accordance with the terms of their sale.

Section 29. Bond Form. Subject to the provisions of this Order, the Bonds shall be in substantially the following form, with such omissions, insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Order, or be consistent

with this Order 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

**STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SAFE DRINKING WATER REVOLVING FUND
MATCHING BOND
SERIES 2019C**

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated As Of</u>	<u>CUSIP</u>
_____ %	August 1, _____	_____, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

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, and to pay interest thereon on February 1 and August 1 of each year, commencing on February 1, 2020 at the interest rate per annum specified above calculated on the basis of a 360 day year of twelve 30-day months, until the principal sum is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of this Bond. The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender hereof at the corporate trust office of the State's paying agent for the Bonds, presently U.S. Bank National Association (the "Paying Agent"), or such other office as designated by the Paying Agent. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed by first class mail to the person in whose name this Bond is registered (the "registered owner") in the registration records of the State maintained by the State's registrar for the Bonds, presently U.S. Bank National Association (the "Registrar"), and at the address appearing thereon, as of the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid 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. 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 order of the State Treasurer

authorizing the issuance of the bonds of the series of which this Bond is one (the "Bond" or the "Bonds") and designated in Section 1 thereof as the "2019C Revolving Fund Matching Bond Order" (the "Order"), duly executed by the State Treasurer upon authorization of the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources and approved by the State Board of Finance prior to the issuance of the Bonds. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

The State, the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Order with respect to Regular and Special Record Dates for the payment of interest.

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

The Bonds are issued by the State, upon its behalf and upon its credit, for the purpose of supporting the purposes of the account to finance the construction of projects, known as the account for the revolving fund created in the State treasury pursuant to NRS 445A.255(1) (the "Revolving Fund"), under the authority of and in full compliance with the constitution and laws of the State, and pursuant to the Order. A copy of the Order is on file in the office of the Secretary of the Board of Finance, in Carson City, Nevada, for public inspection.

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

The Bonds are subject to redemption as set forth in the Order and Certificate of the Treasurer.

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

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the State in the issuance of this Bond; that the total indebtedness of the State, 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 sufficient to pay the principal of, redemption

premiums, if any, and interest on this Bond when the same become due (except to the extent other funds 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 State are hereby irrevocably pledged to the punctual payment of the principal of, redemption premiums, if any, and interest on this Bond according to its terms.

Reference is made to the Order and all modifications and amendments thereof, if any, to the act authorizing the issuance of the Bonds, i.e., Nevada Revised Statutes ("NRS") 445A.200 through 445A.295 (the "Act"), and all laws amendatory thereof, to NRS 349.150 to 349.364, designated in NRS 349.150 thereof as the State Securities Law (the "Bond Act"), to Chapter 348 of NRS (the "Supplemental Bond Act") and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities and obligations of the State, and the rights and remedies of the owners of the Bonds.

The Bonds are issued pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all laws supplemental thereto; pursuant to NRS 349.274, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 349.354, the Bonds, their transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

In accordance with NRS 349.252, no recourse shall be had for the payment of the principal of, redemption premiums, if any, and interest on this Bond or for any claim based thereon or otherwise in respect to the Order, against the Administrator or any other officer or agent of the State, past, present or future, either directly or indirectly through the State, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the State has caused this Bond to be signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor of the State, to be countersigned with the manual or facsimile signature of the Controller of the State, and to be attested, signed and executed with the manual or facsimile signature of the Secretary of State; has caused the manual or facsimile impression of the great seal of the State to be affixed hereon; and has caused this Bond to be countersigned, subscribed and executed with the manual or facsimile signature of the State Treasurer; all as of _____, 2019.

STATE OF NEVADA

(Manual or Facsimile Signature)
Governor of the State of Nevada

(MANUAL OR FACSIMILE SEAL)

Attest:

Countersigned:

(Manual or Facsimile Signature)
Secretary of State

(Manual or Facsimile Signature)
State Controller

Countersigned:

(Manual or Facsimile Signature)
State Treasurer

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication for Bonds)

Date of authentication
and registration: _____

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

U.S. BANK NATIONAL ASSOCIATION
as Registrar

By _____
Authorized Signatory

(End of Form of Registrar's Certificate of Authentication for Bonds)

(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:

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.

(End of Form of Assignment for Bonds)

Section 30. Consolidated Bond Fund. Pursuant to NRS 349.236, payment of the Bond Requirements of the Bonds shall be made from the Consolidated Bond Interest and Redemption Fund (the "Consolidated Bond Fund") of the State, under the provisions of NRS 349.080 through 349.140, except to the extent any provision is otherwise made for such payment by the Act or this Order.

Section 31. Revenues of the Project. Any money, except the proceeds of Taxes, received by the Treasurer from or in respect to the Project shall be deposited in the Revolving Fund and applied in the manner and priority provided in the Act. The Treasurer shall take whatever action may be necessary and appropriate to assure the prompt collection and deposit of the revenues of the Project.

Section 32. General Tax Levies. There shall be levied in each calendar year annually until all of the Bond Requirements of the Bonds shall have been fully paid, satisfied and discharged, a Tax on all property, both real and personal, subject to taxation within the boundaries of the State, fully sufficient together with the revenue which will result from the application of the rate to the net proceeds of minerals to pay and retire the Bonds, without regard to any statutory tax limitations now or thereafter existing, but subject to the limitations imposed by NRS 361.453, and by section 2 of article 10 of the constitution of the State, and after there are made due allowances for probable delinquencies, except to the extent revenues, including, without limitation, revenues of the Project and revenues in the Revolving Fund, as are otherwise available.

Section 33. Budget Provisions. In the preparation of the annual budget for the State, the State Legislature shall first make proper provisions through the levy of sufficient Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the State, including, without limitation, the Bonds, subject to the limitations imposed by section 2 of article 10 of the constitution of the State and by NRS 361.453, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the State.

Section 34. Priorities for Bonds. As provided in NRS 361.463, in any year the total Taxes levied against the property in the State by all overlapping units within the boundaries of

the State may exceed the limitation imposed by NRS 361.453 and it shall become necessary for that reason to reduce the levies made by any of those units, the reduction so made shall be in Taxes levied by such units (including, without limitation, the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The Taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over Taxes levied by each such unit (including, without limitation, the State) for all other purposes where reduction is necessary in order to comply with the limitation imposed by NRS 361.453.

Section 35. Correlation of Levies. Such Taxes shall be levied and collected in the same manner and at the same time as other Taxes are levied and collected. The proceeds of Taxes levied to pay interest on the Bonds shall be kept by the Treasurer in a special account designated as the "State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C Tax Fund--Interest," and the proceeds of Taxes levied to pay the principal of the Bonds shall be kept in a special account designated as the "State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C Tax Fund--Principal" (collectively, the "Bond Fund"). Such accounts shall be used for no other purpose than the payment of interest on and principal of the Bonds, respectively, as the same become due.

Section 36. Use of General Fund. Any sums coming due on the Bonds at any time when there are on hand from such Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the State, reimbursement to be made for such general funds in the amounts so advanced when the Taxes have been collected, pursuant to NRS 349.242.

Section 37. Use of Other Funds. Nothing in this Order prevents the State from applying any funds (other than Taxes) that may be available for that purpose to the payment of the Bond Requirements of the Bonds, including without limitation moneys available in the Revolving Fund, and upon such payment, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 349.244.

Section 38. Legislative Duties. In accordance with NRS 349.238 through 349.244, it shall be the duty of the State Legislature, at the time and in the manner provided by law

for levying other taxes of the State, if such action shall be necessary to effectuate the provisions of this Order, to ratify and carry out the provisions of this Order with reference to the annual levy and collection of such Taxes; and the State Legislature shall require the officers of the State to levy, extend and collect such Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds.

Section 39. Appropriation of Taxes. In accordance with NRS 349.248, there is specially appropriated the proceeds of such Taxes to the payment of the Bond Requirements of the Bonds; and such appropriations shall neither be repealed nor such Taxes postponed or diminished (except as otherwise expressly provided) until the Bond Requirements of the Bonds have been wholly paid.

Section 40. Use of Bond Proceeds. Pursuant to NRS 349.294, amounts received from the sale of the Bonds, including any premium on the Bonds, shall be deposited:

A. First, an amount sufficient to pay the costs of issuance of the Bonds shall be deposited in an account designated as the "State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C Costs of Issuance Account" (the "Costs of Issuance Account") to be applied to payment of the costs of issuance of the Bonds. Any amounts remaining in the Costs of Issuance Account after payment of the costs of issuance of the Bonds shall be deposited in the Acquisition Account (defined below).

B. Second, the balance of the proceeds of the Bonds shall be deposited in an account of the Revolving Fund designated as the "State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C Acquisition Account" (the "Acquisition Account") to be applied to payment of the costs of the Improvement Project.

Section 41. Use of Investment Proceeds. Pursuant to NRS 445A.125, any interest or other gain from the investment of any proceeds of the Bonds credited to the Costs of Issuance Account shall be deposited promptly upon its receipt to the Costs of Issuance Account and applied as provided in the Act and to the Acquisition Account shall be deposited promptly upon its receipt to the Acquisition Account and applied as provided in the Act.

Section 42. Use of Acquisition Account. The moneys in the Acquisition Account, except as otherwise expressly provided, shall be used and paid out solely for the purpose of paying the cost of the Improvement Project.

Section 43. Prevention of Bond Default. Except as otherwise expressly provided by this Order, the Treasurer shall use any Bond proceeds credited to the Acquisition Account, without further order or warrant, to pay the Bond Requirements of the Bonds, as the same become due, whenever and to the extent moneys otherwise available therefor are insufficient for that purpose. The Treasurer shall promptly notify the Administrator of any such use. Any moneys so used shall be restored to the Acquisition Account from the first revenues thereafter received and available for such restoration.

Section 44. Lien of the Bonds. The Bonds authorized herein constitute an irrevocable lien (but not necessarily an exclusive lien) upon the moneys available in the Revolving Fund for the payment of the interest and installments of principal on state securities issued on a parity with the lien of the outstanding State of Nevada General Obligation (Limited Tax) Safe Drinking Water Act Revolving Fund Matching and Refunding Bonds Series 2010I (the "2010 Bonds"), State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2014D (the "2014 Bonds"), State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2015H (the "2015 Bonds"), State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2017E (the "2017 Bonds") and any outstanding State securities hereafter issued in accordance with the Act which have a lien on the money in the Revolving Fund that is on a parity with the lien of the Bonds (collectively, the "Matching Bonds"), subject to any superior liens of any superior securities hereafter issued.

Section 45. Equality of Bonds. Except as provided in Section 10, the Bonds, the Matching 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 moneys available in the Revolving Fund and shall not be entitled to any priority one over the other in the application of the moneys available in the Revolving Fund, regardless of the time or times of the issuance of the Bonds, the Matching

Bonds and any other such securities, it being the intention of the State that there shall be no priority among the Bonds, the Matching Bonds and any securities hereafter issued on a parity with the Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Section 46. Sale of Municipal Securities. The Treasurer shall not sell any securities issued by any local government evidencing its loan from the Revolving Fund made, in whole or in part with the proceeds of the Bonds, unless and until the Bond Requirements of all the Bonds shall have been paid.

Section 47. 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 Order. There shall be deemed to be such due payment when there has been placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond or upon any prior redemption date as of which the State shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the trust bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this Section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished the Paying Agent shall mail written notice of the defeasance to the registered owners of the Bonds at the addresses last shown on the registration records for the Bonds maintained by the Registrar.

Section 48. Tax Covenant. The State covenants for the benefit of the holders of the Bonds (the "Bondholders") 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 State, or any facilities financed with the

proceeds of the Bonds if such action or omission would (i) cause interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code") or (ii) 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.

The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds until the date on which all obligations of the State in fulfilling the above covenants have been met.

Section 49. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on or be affected by the validity or regularity or any proceedings relating to the Project. The Purchaser, and any owner of the Bonds, shall in no manner be responsible for the application or disposal by the State or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys described in this Order.

Section 50. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the State upon direction of the Treasurer shall determine that it is in the best interests of the State to replace said Registrar or Paying Agent, the State may, upon notice mailed electronically or otherwise to each owner of any Bond at the address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the State shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

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 Order, 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 Order to the contrary notwithstanding.

Section 51. Amendments. This Order may be amended or supplemented by instruments adopted by the State Treasurer, without receipt by the State of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or a majority of the Bondholders at the time of the adoption of the amendatory or supplemental instrument, excluding holders of Bonds which may then be held or owned for the account of the State. No such instrument shall permit:

- A.** a change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon;
- B.** a reduction in the principal amount of any Bond or the rate of interest thereon;
- C.** the establishment of priorities as between the Bond issued and Outstanding under the provisions of this Order; or
- D.** the modification of, or other action which materially and prejudicially affects the rights or privileges of the Bondholder.

Whenever the State Treasurer proposes to amend or modify this Order under the provisions hereof, the State Treasurer shall cause the Registrar to send electronic notice of the proposed amendment to the Bondholders and the insurer of the Bonds, if any. 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 State Treasurer for public inspection.

Whenever the insurer of the Bonds, if any, has consented in writing to the proposed amendment, or at any time within one year from the date of such notice there shall be filed in the office of the State Treasurer an instrument or instruments executed by a majority of the Bondholders 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 State Treasurer may adopt the amendatory instrument and the instrument shall become effective. Any consent given by the insurer of the Bonds, if any, or the Bondholders pursuant to the provisions hereof shall be irrevocable.

Any Bond authenticated and delivered after the effective date of any action taken as provided in this Section may bear a notation by endorsement or otherwise in form approved by the State Treasurer as to the action; and if any Bond so authenticated and delivered shall bear such notation, then upon demand of the Bondholders at such effective date and upon presentation of a Bond, suitable notation shall be made on the Bond as to any such action. If the State Treasurer so determines, a new Bond so modified as in the opinion of the State Treasurer to conform to such action shall be prepared, registered and delivered; and upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to the owner of the Bond then Outstanding upon surrender of such Bond.

Section 52. Continuing Disclosure Undertaking. The State covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the final Disclosure Dissemination Agreement in substantially the form now on file with the Secretary of the State Board of Finance, hereby authorized to be executed by the State Treasurer or designee and delivered in connection with the delivery of the Bonds.

Section 53. 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 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 State for any reason is rendered incapable of fulfilling its obligations hereunder;

D. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the Bonds, or if an order or

decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and

E. Default of Any Provision. The State makes any default in the due and punctual performance of any other of the representations, covenants (other than the covenant set forth in Section 52), conditions, agreements and other provisions contained in the Bonds or in this Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the Bonds then Outstanding.

Section 54. Remedies for Default. Upon the happening and continuance of any of the events of default, as provided in Section 53 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 State and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under this Order 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 State 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 55. Delegated Powers. The officers of the State are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Order, including, without limitation:

A. The printing of the Bonds, including, without limitation, a statement of insurance, if applicable;

B. The execution of such certificates and agreements as may be reasonably required by the Purchaser relating, among other things, to continuing disclosure, the

execution of the Bonds, the tenure and identity of the officials of the Board and of the State, the delivery of the Bonds, the assessed valuation of the taxable property in and the indebtedness of the State, the receipt of the Bond purchase price, the exemption of interest on the Bonds from federal income taxation, and, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bonds;

C. The execution and completion of the appropriate agreements with the Registrar and Paying Agent as to their services hereunder; and

D. The sale and issuance of the Bonds pursuant to the provisions of this Order.

Section 56. Ratification. All action heretofore taken (not inconsistent with the provisions of this Order) by the officers of the State, and otherwise taken by the State in connection with:

A. The Project, and

B. The sale and issuance of the Bonds, is ratified, approved and confirmed, including without limitation the preparation and distribution of a Preliminary Official Statement and Final Official Statement relating to the Bonds.

Section 57. Additional Securities. The State reserves the privilege of issuing additional general obligation securities authorized by law at any time or from time to time for any lawful purpose.

Section 58. Order Irrepealable. After any of the Bonds are issued, this Order shall constitute an irrevocable contract between the State and the owner or owners of the Bonds; and this Order, 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.

Section 59. Repealer. All bylaws, orders, resolutions, other instruments, or parts thereof, inconsistent with this Order are repealed to the extent of such inconsistency.

Section 60. Severability. If any section, subsection, paragraph, clause, or other provision of this Order 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 Order.

Section 61. Effective Date. This Order shall be in full force and effect upon execution.

ORDERED on November 19, 2019.

Zachary B. Conine, State Treasurer

RESOLUTION

A RESOLUTION DESIGNATED THE "2019D REVOLVING FUND MATCHING APPROVAL RESOLUTION"; APPROVING THE ISSUANCE OF THE STATE OF NEVADA, GENERAL OBLIGATION (LIMITED TAX) WATER POLLUTION CONTROL REVOLVING FUND MATCHING BONDS, SERIES 2019D.

WHEREAS, Nevada Revised Statutes ("NRS") 349.225 requires that the Board of Finance (the "Board") of the State of Nevada (the "State") approve the issuance of general obligation bonds of the State; and

WHEREAS, NRS 445A.155 requires that the Board certify that sufficient revenues will be available in the account to finance the construction of treatment works and the implementation of pollution control projects (the "Revolving Fund") created in NRS 445A.120, to pay the interest and installments of principal on any bonds issued pursuant to NRS 445A.155; and

WHEREAS, the Board has been advised that the State Treasurer, subject to the approval of the Board and at the direction of the State Director of the Department of Conservation and Natural Resources with the approval of the Director of the Office of Finance, Office of the Governor, will authorize the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D in the maximum aggregate principal amount of \$6,000,000 (the "Bonds"); and

WHEREAS, the Board has received a report illustrating the sufficiency of the revenues in the Revolving Fund to pay, when due, the interest and installments of principal on the Bonds; and

WHEREAS, the Board has received a copy of the order to be executed by the State Treasurer (the "Order") in substantially the form on file with the Secretary to the Board with such amendments as deemed necessary by the State Treasurer authorizing the issuance of the Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FINANCE OF
THE STATE OF NEVADA:**

Section 1. This Resolution shall be known as the "2019D Revolving Fund Matching Approval Resolution."

Section 2. The Board and the officers of the State, including, but not limited to the State Treasurer or designee are authorized to take all actions necessary toward the issuance of the Bonds, including without limitation, the preparation and distribution of a preliminary official statement (and the deeming "final" thereof by the State Treasurer or designee) and a final official statement, and the completion and execution of the Order authorizing the issuance of the Bonds is hereby approved, authorized and confirmed.

Section 3. In order to permit the State to reimburse itself for prior expenditures from the proceeds of the Bonds, the Board hereby determines and declares as follows:

(a) The State reasonably expects to incur expenditures with respect to the project being financed with the proceeds of the Bonds prior to the issuance of the Bonds and to reimburse those expenditures from the issuance of the Bonds; and

(b) The maximum principal amount of the Bonds expected to be issued is \$6,000,000 for the Improvement Project as defined in the Order.

Section 4. The Board hereby certifies that sufficient revenue will be available in the Revolving Fund to pay the interest on and installments of principal of the Bonds as they become due.

Section 5. The officers of the State and the Board are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this resolution, including without limitation, the execution and delivery of the Bonds.

PASSED, ADOPTED AND APPROVED on October 8, 2019.

Steve Sisolak, Governor, Chairman
State Board of Finance

Attest:

Tara Hagan, Secretary
State Board of Finance

STATE OF NEVADA)
) ss.
CARSON CITY)

I am the duly chosen and qualified Chief Deputy Treasurer of the State of Nevada (the "State"), and ex officio secretary of the State Board of Finance (the "Board"), do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution passed and adopted by the Board at its duly held meeting of October 8, 2019, in the Old Assembly Chambers of the Capitol Building, Second Floor, 101 N. Carson Street, Carson City, Nevada and at 555 E. Washington Avenue, Las Vegas, Nevada (the "Resolution").

2. The original of the Resolution was signed by the chairman of the Board and authenticated by me as secretary of the Board, and was recorded in the minute book of the Board kept for that purpose in my office.

3. The members of the Board listed below attended such meeting and voted in favor of the passage of the Resolution:

Governor:	Steve Sisolak
Treasurer:	Zachary B. Conine
Controller:	Catherine Byrne
Other Members:	Teresa Courrier
	Brian Sagert

4. All members of the Board were given due and proper notice of such meeting.

5. Pursuant to NRS 241.020, written notice of such meeting was given at least three working days before the meeting:

(a) By giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the State Treasurer's website; on the official website of the State pursuant to NRS 232.2175, at the principal office of the Board; or if there is no principal office, at the building in which the meeting was held; and at least three other separate, prominent places within the jurisdiction of the Board, to wit:

(i) Capitol Building, Carson City, Nevada,

- (ii) Blasdel Building, Carson City, Nevada,
- (iii) Legislative Building, Carson City, Nevada,
- (iv) Nevada State Library, Carson City, Nevada,
- (v) Grant Sawyer Building, Las Vegas, Nevada,
- (vi) City Hall, Reno, Nevada,
- (vii) City Hall, Elko, Nevada,
- (viii) City Hall, Henderson, Nevada;

(c) By giving a copy of the notice to each person, if any, who had requested notice of the meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

6. A copy of the notice so given is attached to this certificate as Appendix A.

7. A copy of the report illustrating the sufficiency of the revenues referenced in the Resolution is attached to this certificate as Exhibit B.

8. No other proceedings were adopted and no other action taken or considered at such meeting relating to the subject matter of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand on October 8, 2019.

Tara Hagan, Secretary
State Board of Finance

EXHIBIT A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Copy of Sufficiency of Revenues Report)

ORDER

AN ORDER DESIGNATED THE "2019D REVOLVING FUND MATCHING BOND ORDER"; AUTHORIZING THE SALE AND ISSUANCE OF THE STATE OF NEVADA GENERAL OBLIGATION (LIMITED TAX) WATER POLLUTION CONTROL REVOLVING FUND MATCHING BONDS, SERIES 2019D; PROVIDING THE PURPOSE FOR WHICH SUCH BONDS ARE ISSUED, THE FORM, TERMS, AND CONDITIONS OF SUCH BONDS, THE SECURITY THEREFOR, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF SUCH BONDS; AND PROVIDING OTHER RELATED MATTERS.

WHEREAS, the State of Nevada (the "State") is authorized by Nevada Revised Statutes ("NRS") 445A.060 through 445A.160 (the "Act") to issue general obligation bonds for the purpose of supporting the purposes of the account to finance the construction of treatment works and the implementation of pollution control projects (the "Revolving Fund"); and

WHEREAS, pursuant to the Act, the State has issued the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2010G" (the "2010G Bonds") and the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2017F" (the "2017F Bonds"); and

WHEREAS, the Director of the Department of Conservation and Natural Resources (the "Director") has directed the State Treasurer to issue the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D" (the "Bonds") for the purpose of supporting the purposes of the Revolving Fund (the "Improvement Project") and to pay the costs of issuing the bonds (collectively, the "Project"), subject to the approval of the Director of the Office of Finance, Office of the Governor (the "Director of the Office of Finance"); and

WHEREAS, the Director of the Office of Finance has approved the issuance of the Bonds by the State Treasurer; and

WHEREAS, pursuant to NRS 445A.060(3) the Bonds issued for the Project are exempt, pursuant to the second paragraph of section 3, article 9, of the constitution of the State, from the State's debt limit; and

WHEREAS, the State hereby elects to apply the State Securities Law, cited as NRS 349.150 through 349.364, as amended (the "Bond Act") to the issuance of the Bonds, except as it may be inconsistent with the Act; and

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

WHEREAS, the State has provided for the sale of the Bonds, and has determined to accept a proposal (the "Bond Purchase Proposal") submitted by the purchaser (the "Purchaser") for the purchase of the Bonds as set forth in the certificate of the State Treasurer or designee (the "Certificate of the Treasurer") and upon the terms and conditions provided in this Order and the Certificate of the Treasurer; and

WHEREAS, the State Treasurer, at the direction of the Director and with the approval of the Director of the Office of Finance and the State Board of Finance, on the behalf and in the name of the State, has determined and does declare:

A. To secure and preserve the public health, safety, convenience, and welfare, it is necessary to issue the Bonds for the Project, pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws;

B. Each of the limitations and other conditions to the issuance of the Bonds in the Act, the Bond Act, the Supplemental Bond Act, and in any other relevant act of the State has been met; and pursuant to NRS 349.352, this determination that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse or discretion; and

C. The issuance of the Bonds pursuant to the Act, the Bond Act, and the Supplemental Bond Act is necessary, expedient and advisable for the protection and preservation of the property and natural resources of the State, and for the purpose of obtaining the benefits thereof, and constitutes an exercise of the authority conferred by the second paragraph of section 3, article 9, of the constitution of the State.

NOW, THEREFORE, IT IS ORDERED BY THE TREASURER OF THE STATE OF NEVADA AT THE DIRECTION OF THE DIRECTOR OF THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES AND WITH THE APPROVAL OF

**THE DIRECTOR OF THE OFFICE OF FINANCE, OFFICE OF THE GOVERNOR AND
THE STATE BOARD OF FINANCE THAT:**

Section 1. Title. This order shall be known as the "2019D Revolving Fund Matching Bond Order" (the "Order").

Section 2. Authority for Order. This Order is adopted pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws.

Section 3. Authorization of Bond Purchase Proposal. The Bond Purchase Proposal submitted by the Purchaser is hereby accepted, subject to the terms and conditions of this Order and the Certificate of the Treasurer.

Section 4. Life of Project. The State Treasurer has determined and declares:

A. The estimated life or estimated period of usefulness of the Improvement Project financed with loans from the Revolving Fund is not less than the average maturity of the Bonds; and

B. The Bonds will mature at times not exceeding such estimated life or estimated periods of usefulness.

Section 5. Necessity of Project and Bonds. It is necessary and in the best interests of the State that the Project be undertaken and that its cost be defrayed by the issuance of the Bonds.

Section 6. Authorization of Project. The State Treasurer has determined to undertake the Project and defray its cost by the issuance of the Bonds.

Section 7. Estimated Cost of Project. The cost of the Project is estimated to be at least the principal amount of the Bonds, excluding any such cost to be defrayed by any source other than the proceeds of the Bonds.

Section 8. Order to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by the owners thereof from time to time, the provisions of this Order shall be deemed to be and shall constitute a contract between the State and the owners of the Bonds.

Section 9. Bonds Equally Secured. The covenants and agreements of the State set forth in this Order shall be for the equal benefit, protection, and security of the owners of any and all of the outstanding Bonds, all of which, regardless of the time or times of their issue or maturity,

shall be of equal rank without preference, priority, or distinction, except as otherwise expressly provided in or pursuant to this Order.

Section 10. General Obligations; Security. All of the Bonds, as to principal, interest and any redemption premium (the "Bond Requirements") shall constitute general obligations of the State, which hereby pledges its full faith and credit for their payment. All Bond Requirements shall be payable from annual general (ad valorem) taxes ("Taxes"), as provided in this Order. Pursuant to NRS 445A.155, the money in the Revolving Fund that is available for the payment of the interest and installments of principal on the Bonds is hereby pledged as the primary security for the Bonds. The money in the Revolving Fund received by the State from local governments as repayment of loan principal (the "Leveraged Bonds Pledged Revenues") is not available as security for the Bonds or the Matching Bonds (hereinafter defined), but is available as security for the State of Nevada General Obligation (Limited Tax) Water Pollution Revolving Fund Leveraged Refunding Bonds, Series 2011C (the "2011C Bonds"), the State of Nevada General Obligation (Limited Tax) Water Pollution Revolving Fund Leveraged Refunding Bonds, Series 2013B (the "2013B Bonds") and any bonds hereafter issued, including the State of Nevada General Obligation (Limited Tax) Water Pollution Revolving Fund Leveraged Bonds, Series 2019E, if issued (the "2019E Bonds"), with a lien on the Leveraged Bonds Pledged Revenues on a parity with the lien of the 2011C Bonds, the 2013B Bonds and the 2019E Bonds (collectively, the "Leveraged Bonds") and any bonds hereafter issued with a lien on the Leveraged Bonds Pledged Revenues superior to or subordinate to the lien of the Leveraged Bonds. This pledge is not exclusive and neither this pledge nor any other provision of this Order prevents or limits any other pledge of moneys in the Revolving Fund, including, without limitation, any such pledge that is superior to, on a parity with or subordinate to the pledge made hereby to the Bonds.

Section 11. Exempted Debt. The issuance of the Bonds constitutes an exercise of the authority conferred by the second paragraph of section 3, article 9, of the constitution of the State.

Section 12. Limitations upon Security. Pursuant to NRS 349.250, the payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the State, except the proceeds of Taxes and any other moneys pledged for the payment of the Bonds. No

property of the State, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 13. Limitations upon Recourse. Pursuant to NRS 349.252, no recourse shall be had for the payment of the Bond Requirements or for any claim based thereon or otherwise upon this Order, against the Director or any other officer or agent of the State, past, present, or future, either directly or indirectly through the State, 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.

Section 14. No Repeal of Bond Act. Pursuant to NRS 349.256, the faith of the State is hereby pledged that the Act, the Bond Act, the Supplemental Bond Act and any other law supplemental or otherwise pertaining thereto, and any other act concerning the Bonds or the Taxes, or both, shall neither be repealed nor amended nor otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding Bonds, until all the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

Section 15. Authorization of Bonds. For the purpose of defraying the cost of the Project, there are hereby authorized to be issued the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D", in the aggregate principal amount set forth in the Certificate of the Treasurer (not to exceed \$6,000,000).

Section 16. Bond Details. The Bonds shall be dated as of the date of delivery of the Bonds, and except as otherwise provided in Section 21 hereof, shall be issued in fully registered form 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). The Bonds shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from their date until their respective fixed maturity dates at the respective rates designated below, payable on February 1 and August 1 in each year, commencing on February 1, 2020; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown below 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 in each of the designated amounts of principal and on the designated dates as set forth in the Certificate of the Treasurer.

The principal of and premium, if any, on any Bond, shall be payable to the owner thereof as shown on the registration records kept by U.S. Bank National Association (the "Registrar"), upon maturity or prior redemption, if any, thereof and upon presentation and surrender at the corporate trust office of U.S. Bank National Association (the "Paying Agent"), or such other office as designated by the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Except as otherwise provided in Section 21 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 its address, as shown on the registration records kept by the Registrar as of the close of business on the 15th 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 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 its address, as shown on the registration records of the Registrar as of the close of business on a date fixed to determine the names and addresses of owners for the purpose of paying defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Bonds not less than ten days prior thereto by first-class mail postage prepaid 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 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 17. Prior Redemption.

A. Optional Redemption. The Bonds are not subject to optional redemption prior to their respective maturities.

B. Extraordinary Mandatory Redemption. In the event that (i) less than 30% of the net proceeds of the Bonds allocated to the Improvement Project have been used directly or indirectly to make or finance loans to ultimate borrowers within one year of the date of issue of the Bonds, or (ii) less than 95% of the net proceeds of the Bonds allocated to the Improvement Project have been used directly or indirectly to make or finance loans to ultimate borrowers within three years of the date of issue of the Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Bonds, a principal amount of the Bonds equal to (a) the amount of net proceeds required to be used to make or finance loans under clause (i) or (ii) of the preceding sentence, respectively, less (b) the amount of net proceeds actually used for such purpose at the end of the one-year or three-year period, respectively. The redemption date shall be a date not later than 90 days following the applicable one-year or three-year period. Such redemption shall be at a price equal to the principal amount of each Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, and shall be payable from proceeds of the Bonds on deposit in the Acquisition Account (as defined below). Such redemption shall be in denominations of \$5,000 or integral multiples thereof, provided that not less than the required amount of Bonds set forth above is redeemed. Notice of such redemption shall be given as provided in Section 18 of this Order. For purposes of this paragraph, "net proceeds" has the meaning given such term by Section 150 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, but does not include (i) proceeds used to finance issuance costs or (ii) proceeds necessary to pay interest on the Bonds during such period.

C. Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed pursuant to Subsection B of this Section, in which case the Registrar, except as provided in Section 21 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 B of this Section, the Registrar shall select the Bonds to be redeemed by lot (in such manner as the Registrar may determine) at such time as directed by the State Treasurer or designee.

Section 18. Redemption Notice. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Paying Agent (on direction of the State Treasurer or designee), by electronic mail as long as Cede & Co. or a nominee or a successor depository is the Owner of the Bonds, and otherwise by first-class, postage prepaid mail, at least 20 days but not more than 60 days prior to the redemption date, to the registered owner of any Bond all or a part of which is called for prior redemption at the address as it last appears on the registration records kept by the Registrar, and electronically (1) to the Disclosure Dissemination Agent or (2) if Digital Assurance Certification, L.L.C. no longer serves as the Disclosure Dissemination Agent and the State has not appointed a successor Disclosure Dissemination Agent, to the Municipal Securities Rulemaking Board ("MSRB") via its Electronic Municipal Market Access system. The notice shall identify the Bonds or portions thereof to be redeemed, the date of issue of the Bonds, specify the redemption date, the place or places of redemption, the series and maturities, the redemption price, the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the amount of the such maturity of the Bonds to be redeemed. The notice shall also state that on the redemption date the principal amount thereof and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the redemption date being payable by mail or as otherwise provided in this Order), and that after such redemption date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of notice by the Disclosure Dissemination Agent, MSRB or the registered owners of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the Disclosure Dissemination Agent, 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 holder whose Bond is called for redemption or any other holder 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. For purposes of this paragraph, "Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., as the disclosure dissemination

agent for the State with respect to the Bonds, or any successor disclosure dissemination agent appointed by the State.

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

Section 19. Negotiability. Subject to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 20. Registration. Transfer and Exchange of Bonds. Except as otherwise provided in Section 21 hereof:

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 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 16 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. The Registrar shall require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and shall charge a sum sufficient to pay the cost of preparing and authenticating a new Bond.

B. 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 16 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 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.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the State 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, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

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

Section 21. Custodial Deposit.

A. Notwithstanding the foregoing provisions of Sections 16 to 20 hereof, the Bonds shall initially be evidenced by one or more Bonds for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

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

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this Subsection

A or a determination by the State 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 State of another depository institution acceptable to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in NRS 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this Subsection A or a determination by the State 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 State, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of Subsection A hereof or designation of a new depository pursuant to clause (2) of Subsection A hereof, upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of Subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of Subsection A hereof, and upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations, as provided in and subject to the limitations of Section 16 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

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

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

Section 22. Execution and Authentication.

A. Prior to the execution of any Bond by facsimile signature pursuant to NRS 349.284, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351 of NRS, and to the Supplemental Bond Act, the Governor of the State, the State Controller, the Secretary of State and the State Treasurer (the "Governor," the "Controller," the "Secretary" and the Treasurer," respectively) shall each file with the Secretary of State such officer's manual signature certified by such officer under oath.

B. The Bonds shall be approved, signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor, shall be countersigned and executed with the manual or facsimile signature of the Controller, and shall be countersigned, subscribed and executed with the manual or facsimile signature of the Treasurer. There shall be affixed on the Bonds the manual or facsimile impression of the great seal of the State, and each Bond shall each be attested, signed and executed with the manual or facsimile signature of the Secretary.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. 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 sign the certificate of authentication on

all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Order, the Registrar shall be deemed to have assented to all of the provisions of this Order.

Section 23. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of their execution shall be the valid and binding obligations of the State, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Governor, the Controller, the Treasurer and the Secretary, at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 24. Incontestable Recital. Pursuant to NRS 349.274, the Bonds shall contain a recital that they are issued pursuant to the Bond Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 25. State Tax Exemption. 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 the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

Section 26. Bond Execution. The Governor, Controller, Treasurer and Secretary are authorized and directed to prepare and to execute the Bonds as provided above.

Section 27. Initial Registration. The Registrar shall maintain the registration records of the State for the Bonds, showing the name and address of the owner of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond, and its interest rate, principal amount, and bond number.

Section 28. Bond Delivery. After such registration and after their execution and authentication as provided herein, the Treasurer shall cause the Bonds to be delivered to the Purchaser, upon payment being made in accordance with the terms of their sale.

Section 29. Bond Form. Subject to the provisions of this Order, the Bonds shall be in substantially the following form, with such omissions, insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Order, or be consistent

with this Order 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

**STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER POLLUTION CONTROL REVOLVING FUND
MATCHING BOND
SERIES 2019D**

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated As Of</u>	<u>CUSIP</u>
_____ %	August 1, _____	_____, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

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, and to pay interest thereon on February 1 and August 1 of each year, commencing on February 1, 2020 at the interest rate per annum specified above calculated on the basis of a 360 day year of twelve 30 day months, until the principal sum is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of this Bond. The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender hereof at the corporate trust office of the State's paying agent for the Bonds, presently U.S. Bank National Association (the "Paying Agent"), or such other office as designated by the Paying Agent. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed by first class mail to the person in whose name this Bond is registered (the "registered owner") in the registration records of the State maintained by the State's registrar for the Bonds, presently U.S. Bank National Association (the "Registrar"), and at the address appearing thereon, as of the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid 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. 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 order of the State Treasurer

authorizing the issuance of the bonds of the series of which this Bond is one (the "Bond" or the "Bonds") and designated in Section 1 thereof as the "2019D Revolving Fund Matching Bond Order" (the "Order"), duly executed by the State Treasurer at the direction of the Director of the State Department of Conservation and Natural Resources and approved by the Director of the Office of Finance, Office of the Governor and the State Board of Finance prior to the issuance of the Bonds. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

The State, the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Order with respect to Regular and Special Record Dates for the payment of interest.

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

The Bonds are issued by the State, upon its behalf and upon its credit, for the purpose of supporting the purposes of the account to finance the construction of treatment works and the implementation of pollution control projects (the "Revolving Fund"), under the authority of and in full compliance with the constitution and laws of the State, and pursuant to the Order. A copy of the Order is on file in the office of the Secretary of the Board of Finance, in Carson City, Nevada, for public inspection.

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

The Bonds are subject to redemption as set forth in the Order and Certificate of the Treasurer.

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

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the State in the issuance of this Bond; that the total indebtedness of the State, 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 sufficient to pay the principal of, redemption premiums, if any, and interest on this Bond when the same become due (except to the extent other funds 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 State are hereby irrevocably pledged to the punctual payment of the principal of, redemption premiums, if any, and interest on this Bond according to its terms.

Reference is made to the Order and all modifications and amendments thereof, if any, to the act authorizing the issuance of the Bonds, i.e., Nevada Revised Statutes ("NRS") 445A.060 through 445A.160 (the "Act"), and all laws amendatory thereof, to NRS 349.150 to 349.364, designated in NRS 349.150 thereof as the State Securities Law (the "Bond Act"), to Chapter 348 of NRS (the "Supplemental Bond Act") and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities and obligations of the State, and the rights and remedies of the owners of the Bonds.

The Bonds are issued pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all laws supplemental thereto; pursuant to NRS 349.274, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 349.354, the Bonds, their transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

In accordance with NRS 349.252, no recourse shall be had for the payment of the principal of, redemption premiums, if any, and interest on this Bond or for any claim based thereon or otherwise in respect to the Order, against the Director or any other officer or agent of the State, past, present or future, either directly or indirectly through the State, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the State has caused this Bond to be signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor of the State, to be countersigned with the manual or facsimile signature of the Controller of the State, and to be attested, signed and executed with the manual or facsimile signature of the Secretary of State; has caused the manual or facsimile impression of the great seal of the State to be affixed hereon; and has caused this Bond to be countersigned, subscribed and executed with the manual or facsimile signature of the State Treasurer; all as of _____, 2019.

STATE OF NEVADA

(Manual or Facsimile Signature)
Governor of the State of Nevada

(MANUAL OR FACSIMILE SEAL)

Attest:

Countersigned:

(Manual or Facsimile Signature)
Secretary of State

(Manual or Facsimile Signature)
State Controller

Countersigned:

(Manual or Facsimile Signature)
State Treasurer

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication for Bonds)

Date of authentication
and registration: _____

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

U.S. BANK NATIONAL ASSOCIATION
as Registrar

By _____
Authorized Signatory

(End of Form of Registrar's Certificate of Authentication for Bonds)

(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:

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.

(End of Form of Assignment for Bonds)

Section 30. Consolidated Bond Fund. Pursuant to NRS 349.236, payment of the Bond Requirements of the Bonds shall be made from the Consolidated Bond Interest and Redemption Fund (the "Consolidated Bond Fund") of the State, under the provisions of NRS 349.080 through 349.140, except to the extent any provision is otherwise made for such payment by the Act or this Order.

Section 31. Revenues of the Project. Any money, except the proceeds of Taxes, received by the Treasurer from or in respect to the Project shall be deposited in the Revolving Fund and applied in the manner and priority provided in the Act. The Treasurer shall take whatever action may be necessary and appropriate to assure the prompt collection and deposit of the revenues of the Project.

Section 32. General Tax Levies. There shall be levied in each calendar year annually until all of the Bond Requirements of the Bonds shall have been fully paid, satisfied and discharged, a Tax on all property, both real and personal, subject to taxation within the boundaries of the State, fully sufficient together with the revenue which will result from the application of the rate to the net proceeds of minerals to pay and retire the Bonds, without regard to any statutory tax limitations now or thereafter existing, but subject to the limitations imposed by NRS 361.453, and by section 2 of article 10 of the constitution of the State, and after there are made due allowances for probable delinquencies, except to the extent revenues, including, without limitation, revenues of the Project and revenues in the Revolving Fund, as are otherwise available.

Section 33. Budget Provisions. In the preparation of the annual budget for the State, the State Legislature shall first make proper provisions through the levy of sufficient Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the State, including, without limitation, the Bonds, subject to the limitations imposed by section 2 of article 10 of the constitution of the State and by NRS 361.453, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the State.

Section 34. Priorities for Bonds. As provided in NRS 361.463, in any year the total Taxes levied against the property in the State by all overlapping units within the boundaries of the State may exceed the limitation imposed by NRS 361.453 and it shall become necessary for that reason to reduce the levies made by any of those units, the reduction so made shall be in Taxes levied

by such units (including, without limitation, the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The Taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over Taxes levied by each such unit (including, without limitation, the State) for all other purposes where reduction is necessary in order to comply with the limitation imposed by NRS 361.453.

Section 35. Correlation of Levies. Such Taxes shall be levied and collected in the same manner and at the same time as other Taxes are levied and collected. The proceeds of Taxes levied to pay interest on the Bonds shall be kept by the Treasurer in a special account designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D Tax Fund--Interest," and the proceeds of Taxes levied to pay the principal of the Bonds shall be kept in a special account designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D Tax Fund--Principal". Such accounts shall be used for no other purpose than the payment of interest on and principal of the Bonds, respectively, as the same become due.

Section 36. Use of General Fund. Any sums coming due on the Bonds at any time when there are on hand from such Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the State, reimbursement to be made for such general funds in the amounts so advanced when the Taxes have been collected, pursuant to NRS 349.242.

Section 37. Use of Other Funds. Nothing in this Order prevents the State from applying any funds (other than Taxes) that may be available for that purpose to the payment of the Bond Requirements of the Bonds, including without limitation moneys available in the Revolving Fund, and upon such payment, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 349.244.

Section 38. Legislative Duties. In accordance with NRS 349.238 through 349.244, it shall be the duty of the State Legislature, at the time and in the manner provided by law for levying other taxes of the State, if such action shall be necessary to effectuate the provisions of this Order, to ratify and carry out the provisions of this Order with reference to the annual levy and collection of such Taxes; and the State Legislature shall require the officers of the State to levy,

extend and collect such Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds.

Section 39. Appropriation of Taxes. In accordance with NRS 349.248, there is specially appropriated the proceeds of such Taxes to the payment of the Bond Requirements of the Bonds; and such appropriations shall neither be repealed nor such Taxes postponed or diminished (except as otherwise expressly provided) until the Bond Requirements of the Bonds have been wholly paid.

Section 40. Use of Bond Proceeds. Pursuant to NRS 349.294, amounts received from the sale of the Bonds, including any premium on the Bonds, shall be deposited:

A. First, an amount sufficient to pay the costs of issuance of the Bonds shall be deposited in an account designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D Costs of Issuance Account" (the "Costs of Issuance Account") to be applied to payment of the costs of issuance of the Bonds. Any amounts remaining in the Costs of Issuance Account after payment of the costs of issuance of the Bonds shall be deposited in the Acquisition Account (defined below).

B. Second, the balance of the proceeds of the Bonds shall be deposited in an account of the Revolving Fund designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D Acquisition Account" (the "Acquisition Account") to be applied to payment of the costs of the Improvement Project.

Section 41. Use of Investment Proceeds. Pursuant to NRS 445A.125, any interest or other gain from the investment of any proceeds of the Bonds credited to the Costs of Issuance Account shall be deposited promptly upon its receipt to the Costs of Issuance Account and applied as provided in the Act and to the Acquisition Account shall be deposited promptly upon its receipt to the Acquisition Account and applied as provided in the Act.

Section 42. Use of Acquisition Account. The moneys in the Acquisition Account, except as otherwise expressly provided, shall be used and paid out solely for the purpose of paying the cost of the Improvement Project.

Section 43. Prevention of Bond Default. Except as otherwise expressly provided by this Order, the Treasurer shall use any Bond proceeds credited to the Acquisition Account,

without further order or warrant, to pay the Bond Requirements of the Bonds, as the same become due, whenever and to the extent moneys otherwise available therefor are insufficient for that purpose.

The Treasurer shall promptly notify the Director and the Director of the Office of Finance of any such use. Any moneys so used shall be restored to the Acquisition Account from the first revenues thereafter received and available for such restoration.

Section 44. Lien of the Bonds. The Bonds authorized herein constitute an irrevocable lien (but not necessarily an exclusive lien) upon the moneys available in the Revolving Fund on a parity with the outstanding 2010G Bonds and 2017F Bonds (collectively, the "Matching Bonds"), the Leveraged Bonds, and any bonds hereafter issued on a parity with the lien of such bonds; subject to any superior liens of any superior securities hereafter issued.

Section 45. Equality of Bonds. Except as provided in Section 10, the Matching Bonds, the Leveraged 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 moneys available in the Revolving Fund and shall not be entitled to any priority one over the other in the application of the moneys available in the Revolving Fund, regardless of the time or times of the issuance of the Matching Bonds, the Leveraged Bonds and any other such securities, it being the intention of the State that there shall be no priority among the Matching Bonds, the Leveraged Bonds and any securities hereafter issued on a parity with the Matching Bonds and the Leveraged Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Section 46. Sale of Municipal Securities. The Treasurer shall not sell any securities issued by any local government evidencing its loan from the Revolving Fund made, in whole or in part with the proceeds of the Bonds, unless and until the Bond Requirements of all the Bonds shall have been paid.

Section 47. 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 Order. There shall be deemed to be such due payment when there has been placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be

initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond or upon any prior redemption date as of which the State shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the trust bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this Section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished the Paying Agent shall mail written notice of the defeasance to the registered owners of the Bonds at the addresses last shown on the registration records for the Bonds maintained by the Registrar.

Section 48. Tax Covenant. The State covenants for the benefit of the holders of the Bonds (the "Bondholders") 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 State, or any facilities financed with the proceeds of the Bonds if such action or omission would (i) cause interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code") or (ii) 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. The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds until the date on which all obligations of the State in fulfilling the above covenants have been met.

Section 49. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on or be affected by the validity or regularity or any proceedings relating to the Project. The Purchaser, and any owner of the Bonds, shall in no manner be responsible for the application or disposal by the State or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys described in this Order.

Section 50. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the State upon direction of the

Treasurer shall determine that it is in the best interests of the State to replace said Registrar or Paying Agent, the State may, upon notice mailed electronically or otherwise to each owner of any Bond at the address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the State shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

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 Order, 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 Order to the contrary notwithstanding.

Section 51. Amendments. This Order may be amended or supplemented by instruments adopted by the State Treasurer, without receipt by the State of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or a majority of the Bondholders at the time of the adoption of the amendatory or supplemental instrument, excluding holders of Bonds which may then be held or owned for the account of the State. No such instrument shall permit:

- A.** a change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon;
- B.** a reduction in the principal amount of any Bond or the rate of interest thereon;
- C.** the establishment of priorities as between the Bond issued and Outstanding under the provisions of this Order; or
- D.** the modification of, or other action which materially and prejudicially affects the rights or privileges of the Bondholder.

Whenever the State Treasurer proposes to amend or modify this Order under the provisions hereof, the State Treasurer shall cause the Registrar to send electronic notice of the proposed amendment to the Bondholders and the insurer of the Bonds, if any. 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 State Treasurer for public inspection.

Whenever the insurer of the Bonds, if any, has consented in writing to the proposed amendment, or at any time within one year from the date of such notice there shall be filed in the office of the State Treasurer an instrument or instruments executed by a majority of the Bondholders 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 State Treasurer may adopt the amendatory instrument and the instrument shall become effective. Any consent given by the insurer of the Bonds, if any, or the Bondholders pursuant to the provisions hereof shall be irrevocable.

Any Bond authenticated and delivered after the effective date of any action taken as provided in this Section may bear a notation by endorsement or otherwise in form approved by the State Treasurer as to the action; and if any Bond so authenticated and delivered shall bear such notation, then upon demand of the Bondholders at such effective date and upon presentation of a Bond, suitable notation shall be made on the Bond as to any such action. If the State Treasurer so determines, a new Bond so modified as in the opinion of the State Treasurer to conform to such action shall be prepared, registered and delivered; and upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to the owner of the Bond then Outstanding upon surrender of such Bond.

Section 52. Continuing Disclosure Undertaking. The State covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the final Disclosure Dissemination Agreement in substantially the form now on file with the Secretary of the State Board of Finance, hereby authorized to be executed by the State Treasurer or designee and delivered in connection with the delivery of the Bonds.

Section 53. 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 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 State for any reason is rendered incapable of fulfilling its obligations hereunder;

D. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and

E. Default of Any Provision. The State makes any default in the due and punctual performance of any other of the representations, covenants (other than the covenant set forth in Section 52), conditions, agreements and other provisions contained in the Bonds or in this Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the Bonds then Outstanding.

Section 54. Remedies for Default. Upon the happening and continuance of any of the events of default, as provided in Section 53 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 State and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under this Order 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 State 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 55. Delegated Powers. The officers of the State are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Order, including, without limitation:

A. The printing of the Bonds, including, without limitation, a statement of insurance, if applicable;

B. The execution of such certificates and agreements as may be reasonably required by the Purchaser relating, among other things, to continuing disclosure, the execution of the Bonds, the tenure and identity of the officials of the Board and of the State, the delivery of the Bonds, the assessed valuation of the taxable property in and the indebtedness of the State, the receipt of the Bond purchase price, the exemption of interest on the Bonds from federal income taxation, and, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bonds;

C. The execution and completion of the appropriate agreements with the Registrar and Paying Agent as to their services hereunder; and

D. The sale and issuance of the Bonds pursuant to the provisions of this Order.

Section 56. Ratification. All action heretofore taken (not inconsistent with the provisions of this Order) by the officers of the State, and otherwise taken by the State in connection with:

A. The Project, and

B. The sale and issuance of the Bonds, is ratified, approved and confirmed, including without limitation the preparation and distribution of a Preliminary Official Statement and Final Official Statement relating to the Bonds.

Section 57. Additional Securities. The State reserves the privilege of issuing additional general obligation securities authorized by law at any time or from time to time for any lawful purpose.

Section 58. Order Irrepealable. After any of the Bonds are issued, this Order shall constitute an irrevocable contract between the State and the owner or owners of the Bonds; and this Order, 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.

Section 59. Repealer. All bylaws, orders, resolutions, other instruments, or parts thereof, inconsistent with this Order are repealed to the extent of such inconsistency.

Section 60. Severability. If any section, subsection, paragraph, clause, or other provision of this Order 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 Order.

Section 61. Effective Date. This Order shall be in full force and effect upon execution.

ORDERED on November 19, 2019.

Zachary B. Conine, State Treasurer

RESOLUTION

A RESOLUTION DESIGNATED AS THE "2019E REVOLVING FUND LEVERAGED APPROVAL RESOLUTION"; APPROVING THE ISSUANCE OF THE STATE OF NEVADA, GENERAL OBLIGATION (LIMITED TAX) WATER POLLUTION CONTROL REVOLVING FUND LEVERAGED BONDS, SERIES 2019E.

WHEREAS, Nevada Revised Statutes ("NRS") 349.225 requires that the Board of Finance (the "Board") of the State of Nevada (the "State") approve the issuance of general obligation bonds of the State; and

WHEREAS, NRS 445A.155 requires that the Board certify that sufficient revenues will be available in the account to finance the construction of treatment works and the implementation of pollution control projects (the "Revolving Fund") created in NRS 445A.120, to pay the interest and installments of principal on any bonds issued pursuant to NRS 445A.155; and

WHEREAS, the Board has been advised that the State Treasurer, subject to the approval of the Board and at the direction of the State Director of the Department of Conservation and Natural Resources with the approval of the Director of the Office of Finance, Office of the Governor, will authorize the issuance of the State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E in the maximum aggregate principal amount of \$30,000,000 (the "Bonds"); and

WHEREAS, the Board has received a report illustrating the sufficiency of the revenues in the Revolving Fund to pay, when due, the interest and installments of principal on the Bonds; and

WHEREAS, the Board has received a copy of the order authorizing the issuance of the Bonds in substantially the form on file with the Secretary to the Board with such amendments as deemed necessary by the State Treasurer.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FINANCE OF
THE STATE OF NEVADA:**

Section 1. This Resolution shall be known as the "2019E Revolving Fund Leveraged Approval Resolution."

Section 2. The Board and the officers of the State, including, but not limited to the State Treasurer or designee are authorized to take all actions necessary toward the issuance of the Bonds, including without limitation, the preparation and distribution of a preliminary official statement (and the deeming "final" thereof by the State Treasurer) and a final official statement, and the completion and execution of the orders of the State Treasurer authorizing the issuance of the Bonds and the continuing disclosure agreement relating to the Bonds is hereby approved, authorized and confirmed.

Section 3. In order to permit the State to reimburse itself for prior expenditures from the proceeds of the Bonds, the Board hereby determines and declares as follows:

(a) The State reasonably expects to incur expenditures with respect to the project being financed with the proceeds of the Bonds prior to the issuance of the Bonds and to reimburse those expenditures from the issuance of the Bonds; and

(b) The maximum principal amount of the Bonds expected to be issued is \$30,000,000 for the Project as defined in the Order.

Section 4. The Board hereby certifies that sufficient revenue will be available in the Revolving Fund to pay the interest on and installments of principal of the Bonds as they become due.

Section 5. The officers of the State and the Board are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this resolution, including without limitation, the execution and delivery of the Bonds.

PASSED, ADOPTED AND APPROVED on October 8, 2019.

Steve Sisolak, Governor, Chairman
State Board of Finance

Tara Hagan, Secretary
State Board of Finance

STATE OF NEVADA)
) **ss.**
CARSON CITY)

I am the duly chosen and qualified Chief Deputy Treasurer of the State of Nevada (the "State"), and ex officio secretary of the State Board of Finance (the "Board"), do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution passed and adopted by the Board at its duly held meeting of October 8, 2019, in the Old Assembly Chambers of the Capitol Building, Second Floor, 101 N. Carson Street, Carson City, Nevada and at 555 E. Washington Avenue, Las Vegas, Nevada (the "Resolution").

2. The original of the Resolution was signed by the chairman of the Board and authenticated by me as secretary of the Board, and was recorded in the minute book of the Board kept for that purpose in my office.

3. The members of the Board listed below attended such meeting and voted in favor of the passage of the Resolution:

Governor:	Steve Sisolak
Treasurer:	Zachary B. Conine
Controller:	Catherine Byrne
Other Members:	Teresa Courier Brian Sagert

4. All members of the Board were given due and proper notice of such meeting.

5. Pursuant to NRS 241.020, written notice of such meeting was given at least three working days before the meeting:

(a) By giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the State Treasurer's website; on the official website of the State pursuant to NRS 232.2175, at the principal office of the Board; or if there is no principal office, at the building in which the meeting was held; and at least three other separate, prominent places within the jurisdiction of the Board, to wit:

- (i) Capitol Building, Carson City, Nevada,
- (ii) Blasdel Building, Carson City, Nevada,
- (iii) Legislative Building, Carson City, Nevada,
- (iv) Nevada State Library, Carson City, Nevada,
- (v) Grant Sawyer Building, Las Vegas, Nevada,
- (vi) City Hall, Reno, Nevada,
- (vii) City Hall, Elko, Nevada,
- (viii) City Hall, Henderson, Nevada;

(c) By giving a copy of the notice to each person, if any, who had requested notice of the meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

6. A copy of the notice so given is attached to this certificate as Appendix A.

7. A copy of the report illustrating the sufficiency of the revenues referenced in the Resolution is attached to this certificate as Exhibit B.

8. No other proceedings were adopted and no other action taken or considered at such meeting relating to the subject matter of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand October 8, 2019.

Tara Hagan, Secretary
State Board of Finance

EXHIBIT A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Copy of Sufficiency of Revenues Report)

**AN ORDER DESIGNATED THE "2019E REVOLVING FUND
LEVERAGED BOND ORDER;" AUTHORIZING THE SALE
AND ISSUANCE OF THE STATE OF NEVADA GENERAL
OBLIGATION (LIMITED TAX) WATER POLLUTION
CONTROL REVOLVING FUND LEVERAGED BONDS,
SERIES 2019E; PROVIDING THE PURPOSE FOR WHICH
SUCH BONDS ARE ISSUED, THE FORM, TERMS, AND
CONDITIONS OF SUCH BONDS, THE SECURITY
THEREFOR, AND OTHER DETAILS IN CONNECTION
THEREWITH; PROVIDING FOR THE LEVY AND
COLLECTION OF ANNUAL GENERAL (AD VALOREM)
TAXES FOR THE PAYMENT OF SUCH BONDS; AND
PROVIDING OTHER RELATED MATTERS.**

WHEREAS, the State of Nevada (the "State") is authorized by Nevada Revised Statutes ("NRS") 445A.060 through 445A.160 (the "Act") to issue general obligation bonds for the purpose of supporting the purposes of the account to finance the construction of treatment works and the implementation of pollution control projects (the "Revolving Fund"); and

WHEREAS, pursuant to the Act, the State has issued the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2011C" (the "2011C Bonds") and the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2013B" (the "2013B Bonds"); and

WHEREAS, the Director of the Department of Conservation and Natural Resources (the "Director") has directed the State Treasurer to issue the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E" (the "Bonds"; or the "2019E Bonds") for the purpose of supporting the purposes of the Revolving Fund (the "Improvement Project") and to pay the costs of issuing the bonds (collectively, the "Project"), subject to the approval of the Director of the Office of Finance, Office of the Governor (the "Director of the Office of Finance"); and

WHEREAS, the Director of the Office of Finance has approved the issuance of the Bonds by the State Treasurer; and

WHEREAS, pursuant to NRS 445A.060(3) the Bonds issued for the Project are exempt, pursuant to the second paragraph of section 3, article 9, of the constitution of the State, from the State's debt limit; and

WHEREAS, the State hereby elects to apply the State Securities Law, cited as NRS 349.150 through 349.364, as amended (the "Bond Act") to the issuance of the Bonds, except as it may be inconsistent with the Act; and

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

WHEREAS, the State has provided for the sale of the Bonds, and has determined to accept a proposal (the "Bond Purchase Proposal") submitted by the purchaser (the "Purchaser") for the purchase of the Bonds as set forth in the certificate of the State Treasurer or designee (the "Certificate of the Treasurer") and upon the terms and conditions provided in this Order and the Certificate of the Treasurer; and

WHEREAS, the State Treasurer, at the direction of the Director and with the approval of the Director of the Office of Finance and the State Board of Finance, on the behalf and in the name of the State, has determined and does declare:

A. To secure and preserve the public health, safety, convenience, and welfare, it is necessary to issue the Bonds for the Project, pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws;

B. Each of the limitations and other conditions to the issuance of the Bonds in the Act, the Bond Act, the Supplemental Bond Act, and in any other relevant act of the State has been met; and pursuant to NRS 349.352, this determination that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse or discretion; and

C. The issuance of the Bonds pursuant to the Act, the Bond Act, and the Supplemental Bond Act is necessary, expedient and advisable for the protection and preservation of the property and natural resources of the State, and for the purpose of obtaining the benefits thereof, and constitutes an exercise of the authority conferred by the second paragraph of section 3, article 9, of the constitution of the State.

NOW, THEREFORE, IT IS ORDERED BY THE TREASURER OF THE STATE OF NEVADA AT THE DIRECTION OF THE DIRECTOR OF THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES AND WITH THE APPROVAL OF THE DIRECTOR OF THE OFFICE OF FINANCE, OFFICE OF THE GOVERNOR AND THE STATE BOARD OF FINANCE THAT:

Section 1. Title. This order shall be known as the "2019E Revolving Fund Leveraged Bond Order" (the "Order").

Section 2. Authority for Order. This Order is adopted pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all supplemental laws.

Section 3. Authorization of Bond Purchase Proposal. The Bond Purchase Proposal submitted by the Purchaser is hereby accepted, subject to the terms and conditions of this Order and the Certificate of the Treasurer.

Section 4. Life of Project. The State Treasurer has determined and declares:

A. The estimated life or estimated period of usefulness of the Improvement Project financed with loans from the Revolving Fund is not less than the average maturity of the Bonds; and

B. The Bonds will mature at times not exceeding such estimated life or estimated periods of usefulness.

Section 5. Necessity of Project and Bonds. It is necessary and in the best interests of the State that the Project be undertaken and that its cost be defrayed by the issuance of the Bonds.

Section 6. Authorization of Project. The State Treasurer has determined to undertake the Project and defray its cost by the issuance of the Bonds.

Section 7. Estimated Cost of Project. The cost of the Project is estimated to be at least the principal amount of the Bonds, excluding any such cost to be defrayed by any source other than the proceeds of the Bonds.

Section 8. Order to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by the owners thereof from time to time, the provisions of this Order shall be deemed to be and shall constitute a contract between the State and the owners of the Bonds.

Section 9. Bonds Equally Secured. The covenants and agreements of the State set forth in this Order shall be for the equal benefit, protection, and security of the owners of any and all of the outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction, except as otherwise expressly provided in or pursuant to this Order.

Section 10. General Obligations; Security. All of the Bonds, as to principal, interest and any redemption premium (the "Bond Requirements") shall constitute general obligations of the State, which hereby pledges its full faith and credit for their payment. All Bond Requirements shall be payable from annual general (ad valorem) taxes ("Taxes"), as provided in this Order. Pursuant to NRS 445A.155, the money in the Revolving Fund that is available for the payment of the interest and installments of principal on the Bonds is hereby pledged as the primary security for the Bonds. The money in the Revolving Fund received by the State from local governments as repayment of loan principal ("Leveraged Bonds Pledged Revenues") is available as additional security for the Bonds, the 2011C and 2013B, and any bonds hereafter issued with a lien on the Leveraged Bonds Pledged Revenues on a parity with the Bonds (the "Leveraged Bonds"), and any bonds hereafter issued with a lien on the Leveraged Bonds Pledged Revenues superior to or subordinate to the lien of the Leveraged Bonds. The Leveraged Bonds Pledged Revenues are not available as security for the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2010G" (the "2010G Bonds") and the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2017F" (the "2017F Bonds"); and collectively, the 2010G Bonds, the 2017F Bonds and any bonds hereafter issued by the State for the purpose of satisfying the capitalization grant agreement requirements of the United States for the Revolving Fund are referred to herein as the "Matching Bonds"). This pledge is not exclusive and neither this pledge nor any other provision of this Order prevents or limits any other pledge of moneys in the Revolving Fund, including, without limitation, any such pledge that is superior to, on a parity with or subordinate to the pledge made hereby to the Bonds.

Section 11. Exempted Debt. The issuance of the Bonds constitutes an exercise of the authority conferred by the second paragraph of section 3, article 9, of the constitution of the State.

Section 12. Limitations upon Security. Pursuant to NRS 349.250, the payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the State, except the proceeds of Taxes and any other moneys pledged for the payment of the Bonds. No property of the State, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 13. Limitations upon Recourse. Pursuant to NRS 349.252, no recourse shall be had for the payment of the Bond Requirements or for any claim based thereon or otherwise upon this Order, against the Director or any other officer or agent of the State, past, present, or future, either directly or indirectly through the State, 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.

Section 14. No Repeal of Bond Act. Pursuant to NRS 349.256, the faith of the State is hereby pledged that the Act, the Bond Act, the Supplemental Bond Act and any other law supplemental or otherwise pertaining thereto, and any other act concerning the Bonds or the Taxes, or both, shall neither be repealed nor amended nor otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding Bonds, until all the Bonds have been discharged in full or provision for their payment and redemption has been fully made.

Section 15. Authorization of Bonds. For the purpose of defraying the cost of the Project, there are hereby authorized to be issued the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E", in the aggregate principal amount set forth in the Certificate of the Treasurer (not to exceed \$30,000,000).

Section 16. Bond Details. The Bonds shall be dated as of the date of delivery of the Bonds, and except as otherwise provided in Section 20 hereof, shall be issued in fully registered form 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). The Bonds shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from their date until their

respective fixed maturity dates (or, if redeemed prior to maturity as provided below, their redemption dates) at the respective rates designated below, payable on the first days of February and August in each year, commencing on February 1, 2020; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown below 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 in each of the designated amounts of principal and on the designated dates as set forth in the Certificate of the Treasurer.

The principal of and premium, if any, on any Bond, shall be payable to the owner thereof as shown on the registration records kept by U.S. Bank National Association (the "Registrar"), upon maturity or prior redemption, if any, thereof and upon presentation and surrender at the corporate trust office of U.S. Bank National Association (the "Paying Agent"), or such other office as designated by the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Except as otherwise provided in Section 21 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 its address, as shown on the registration records kept by the Registrar as of the close of business on the 15th 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 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 its address, as shown on the registration records of the Registrar as of the close of business on a date fixed to determine the names and addresses of owners for the purpose of paying defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the 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 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 17. Prior Redemption.

A. Optional Redemption. The Bonds maturing on the dates set forth in Appendix I attached hereto, if any, shall be subject to redemption prior to their respective maturities, at the option of the State, as directed by the State Treasurer or designee, on and after the dates set forth in Appendix I attached hereto, if any, in whole or in part, at any time from any maturities selected by the State Treasurer or designee and by lot within a maturity (in such manner as the Registrar shall determine), at a price equal to the principal amount of each Bond, or portion thereof, so redeemed, accrued interest thereon to the redemption date.

B. Extraordinary Mandatory Redemption. In the event that (i) less than 30% of the net proceeds of the Bonds allocated to the Improvement Project have been used directly or indirectly to make or finance loans to ultimate borrowers within one year of the date of issue of the Bonds, or (ii) less than 95% of the net proceeds of the Bonds allocated to the Improvement Project have been used directly or indirectly to make or finance loans to ultimate borrowers within three years of the date of issue of the Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Bonds, a principal amount of the Bonds equal to (a) the amount of net proceeds required to be used to make or finance loans under clause (i) or (ii) of the preceding sentence, respectively, less (b) the amount of net proceeds actually used for such purpose at the end of the one-year or three-year period, respectively. The redemption date shall be a date not later than 90 days following the applicable one-year or three-year period. Such redemption shall be at a price equal to the principal amount of each Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, and shall be payable from proceeds of the Bonds on deposit in the Acquisition Account (as defined below). Such redemption shall be in denominations of \$5,000 or integral multiples thereof, provided that not less than the required amount of Bonds set forth above is redeemed. Notice of such redemption shall be given as provided in Section 18 of this Order. For purposes of this paragraph, "net proceeds" has the meaning given such term by Section 150 of the Internal Revenue Code of 1986, as amended to

the date of delivery of the Bonds, but does not include (i) proceeds used to finance issuance costs or (ii) proceeds necessary to pay interest on the Bonds during such period.

C. Mandatory Redemption. The Bonds maturing on the dates set forth in Appendix I attached hereto, 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 Consolidated Bond Fund on or before the August 1, of the years set forth in Appendix I attached hereto, if any, a sum which, together with other moneys available in the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E Tax Fund--Principal", is sufficient to redeem on August 1, of the years and in the principal amounts as set forth in Appendix I.

Not more than 60 days nor less than 20 days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of Term Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next principal payment date, and give notice of such call as provided in Section 18 of this Resolution.

At the option of the Board to be exercised by delivery of a written certificate to the Registrar not less than 60 days next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the Board or, (ii) specify a principal amount of Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and 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 Board on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the Board determines. In the event the Board shall avail

itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be 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., 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.

D. Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed pursuant to Subsection B of this Section, in which case the Registrar, except as provided in Section 21 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 B of this Section, the Registrar shall select the Bonds to be redeemed by lot (in such manner as the Registrar may determine) at such time as directed by the State Treasurer or designee.

Section 18. Redemption Notice. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Paying Agent (on direction of the State Treasurer or designee), by electronic mail as long as Cede & Co. or a nominee or a successor depository is the Owner of the Bonds, and otherwise by first-class, postage prepaid mail, at least 20 days but not more than 60 days prior to the redemption date, to the registered owner of any Bond all or a part of which is called for prior redemption at the address as it last appears on the registration records kept by the Registrar, and electronically (1) to the Disclosure Dissemination Agent or (2) if Digital Assurance Certification, L.L.C. no longer serves as the Disclosure Dissemination Agent and the State has not appointed a successor Disclosure Dissemination Agent, to the Municipal Securities Rulemaking Board ("MSRB") via its Electronic Municipal Market Access system. The notice shall identify the Bonds or portions thereof to be redeemed, the date of issue of the Bonds, specify the redemption date, the place or places of redemption, the series and maturities, the redemption price, the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the amount of the such maturity of the Bonds to be redeemed. The notice shall also state that on the redemption date the principal amount thereof and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the redemption

date being payable by mail or as otherwise provided in this Order), and that after such redemption date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of notice by the Disclosure Dissemination Agent, MSRB or the registered owners of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice to the Disclosure Dissemination Agent, 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 holder whose Bond is called for redemption or any other holder 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. For purposes of this paragraph, "Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., as the disclosure dissemination agent for the State with respect to the Bonds, or any successor disclosure dissemination agent appointed by the State.

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

Section 19. Negotiability. Subject to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 20. Registration. Transfer and Exchange of Bonds. Except as otherwise provided in Section 21 hereof:

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 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 16 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. The Registrar shall require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and shall charge a sum sufficient to pay the cost of preparing and authenticating a new Bond.

B. 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 16 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 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.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the State 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, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

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

Section 21. Custodial Deposit.

A. Notwithstanding the foregoing provisions of Sections 16 to 20 hereof, the Bonds shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

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

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this Subsection A or a determination by the State 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 State of another depository institution acceptable to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in NRS 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this Subsection A or a determination by the State 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 State, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of Subsection A hereof or designation of a new

depository pursuant to clause (2) of Subsection A hereof, upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of Subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of Subsection A hereof, and upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations, as provided in and subject to the limitations of Section 16 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

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

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

Section 22. Execution and Authentication.

A. Prior to the execution of any Bond by facsimile signature pursuant to NRS 349.284, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351 of NRS, and to the Supplemental Bond Act, the Governor of the State, the State Controller, the Secretary of State and the State Treasurer (the "Governor," the "Controller," the

"Secretary" and the Treasurer," respectively) shall each file with the Secretary of State such officer's manual signature certified by such officer under oath.

B. The Bonds shall be approved, signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor, shall be countersigned and executed with the manual or facsimile signature of the Controller, and shall be countersigned, subscribed and executed with the manual or facsimile signature of the Treasurer. There shall be affixed on the Bonds the manual or facsimile impression of the great seal of the State, and each Bond shall each be attested, signed and executed with the manual or facsimile signature of the Secretary.

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

Section 23. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of their execution shall be the valid and binding obligations of the State, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Governor, the Controller, the Treasurer and the Secretary, at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 24. Incontestable Recital. Pursuant to NRS 349.274, the Bonds shall contain a recital that they are issued pursuant to the Bond Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 25. State Tax Exemption. 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 the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

Section 26. Bond Execution. The Governor, Controller, Treasurer and Secretary are authorized and directed to prepare and to execute the Bonds as provided above.

Section 27. Initial Registration. The Registrar shall maintain the registration records of the State for the Bonds, showing the name and address of the owner of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond, and its interest rate, principal amount, and bond number.

Section 28. Bond Delivery. After such registration and after their execution and authentication as provided herein, the Treasurer shall cause the Bonds to be delivered to the Purchaser, upon payment being made in accordance with the terms of their sale.

Section 29. Bond Form. Subject to the provisions of this Order, the Bonds shall be in substantially the following form, with such omissions, insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Order, or be consistent with this Order 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

**STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX) WATER
POLLUTION CONTROL REVOLVING FUND
LEVERAGED BOND
SERIES 2019E**

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated As Of</u>	<u>CUSIP</u>
_____ %	August 1, _____	_____, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

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, and to pay interest thereon on February 1 and August 1 of each year, commencing on February 1, 2020 at the interest rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of this Bond. The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender hereof at the corporate trust office of the State's paying agent for the Bonds, presently U.S. Bank National Association (the "Paying Agent"), or such other office as designated by the Paying Agent. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed by first class mail to the person in whose name this Bond is registered (the "registered owner") in the registration records of the State maintained by the State's registrar for the Bonds, presently U.S. Bank National Association (the "Registrar"), and at the address appearing thereon, as of the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid 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. 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 order of the State Treasurer authorizing the issuance of the bonds of the series of

which this Bond is one (the "Bond" or the "Bonds") and designated in Section 1 thereof as the "2019E Revolving Fund Leveraged Bond Order" (the "Order"), duly executed by the State Treasurer at the direction of the Director of the State Department of Conservation and Natural Resources and approved by the Director of the Office of Finance, Office of the Governor and the State Board of Finance prior to the issuance of the Bonds. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

The State, the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Order with respect to Regular and Special Record Dates for the payment of interest.

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

The Bonds are issued by the State, upon its behalf and upon its credit, for the purpose of supporting the purposes of the account to refinance the construction of treatment works and the implementation of pollution control projects (the "Revolving Fund"), under the authority of and in full compliance with the constitution and laws of the State, and pursuant to the Order. A copy of the Order is on file in the office of the Secretary of the Board of Finance, in Carson City, Nevada, for public inspection.

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

The Bonds are subject to redemption as set forth in the Order and Certificate of the Treasurer.

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

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the State in the issuance of this Bond; that the total indebtedness of the State, 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 sufficient to pay the principal of, redemption premiums, if any, and interest on this Bond when the same become due (except to the extent other funds 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 State are hereby irrevocably pledged to the punctual payment of the principal of, redemption premiums, if any, and interest on this Bond according to its terms.

Reference is made to the Order and all modifications and amendments thereof, if any, to the act authorizing the issuance of the Bonds, i.e., Nevada Revised Statutes ("NRS") 445A.060 through 445A.160 (the "Act"), and all laws amendatory thereof, to NRS 349.150 to 349.364, designated in NRS 349.150 thereof as the State Securities Law (the "Bond Act"), to Chapter 348 of NRS (the "Supplemental Bond Act") and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities and obligations of the State, and the rights and remedies of the owners of the Bonds.

The Bonds are issued pursuant to the Act, the Bond Act, the Supplemental Bond Act, and all laws supplemental thereto; pursuant to NRS 349.274, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 349.354, the Bonds, their transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

In accordance with NRS 349.252, no recourse shall be had for the payment of the principal of, redemption premiums, if any, and interest on this Bond or for any claim based thereon or otherwise in respect to the Order, against the Director or any other officer or agent of the State, past, present or future, either directly or indirectly through the State, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the State has caused this Bond to be signed and executed in the name of and on behalf of the State with the manual or facsimile signature of the Governor of the State, to be countersigned with the manual or facsimile signature of the Controller of the State, and to be attested, signed and executed with the manual or facsimile signature of the Secretary of State; has caused the manual or facsimile impression of the great seal of the State to be affixed hereon; and has caused this Bond to be countersigned, subscribed and executed with the manual or facsimile signature of the State Treasurer; all as of _____, 2019.

STATE OF NEVADA

(Manual or Facsimile Signature)
Governor of the State of Nevada

(MANUAL OR FACSIMILE SEAL)

Attest:

Countersigned:

(Manual or Facsimile Signature)
Secretary of State

(Manual or Facsimile Signature)
State Controller

Countersigned:

(Manual or Facsimile Signature)
State Treasurer

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication for Bonds)

Date of authentication
and registration: _____

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

U.S. BANK NATIONAL ASSOCIATION
as Registrar

By _____
Authorized Signatory

(End of Form of Registrar's Certificate of Authentication for Bonds)

(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:

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.

(End of Form of Assignment for Bonds)

Section 30. Consolidated Bond Fund. Pursuant to NRS 349.236, payment of the Bond Requirements of the Bonds shall be made from the Consolidated Bond Interest and Redemption Fund (the "Consolidated Bond Fund") of the State, under the provisions of NRS 349.080 through 349.140, except to the extent any provision is otherwise made for such payment by the Act or this Order.

Section 31. Revenues of the Project. Any money, except the proceeds of Taxes, received by the Treasurer from or in respect to the Project shall be deposited in the Revolving Fund and applied in the manner and priority provided in the Act. The Treasurer shall take whatever action may be necessary and appropriate to assure the prompt collection and deposit of the revenues of the Project.

Section 32. General Tax Levies. There shall be levied in each calendar year annually until all of the Bond Requirements of the Bonds shall have been fully paid, satisfied and discharged, a Tax on all property, both real and personal, subject to taxation within the boundaries of the State, fully sufficient together with the revenue which will result from the application of the rate to the net proceeds of minerals to pay and retire the Bonds, without regard to any statutory tax limitations now or thereafter existing, but subject to the limitations imposed by NRS 361.453, and by section 2 of article 10 of the constitution of the State, and after there are made due allowances for probable delinquencies, except to the extent revenues, including, without limitation, revenues of the Project and revenues in the Revolving Fund, as are otherwise available.

Section 33. Budget Provisions. In the preparation of the annual budget for the State, the State Legislature shall first make proper provisions through the levy of sufficient Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the State, including, without limitation, the Bonds, subject to the limitations imposed by section 2 of article 10 of the constitution of the State and by NRS 361.453, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the State.

Section 34. Priorities for Bonds. As provided in NRS 361.463, in any year the total Taxes levied against the property in the State by all overlapping units within the boundaries of the State may exceed the limitation imposed by NRS 361.453 and it shall become necessary for that reason to reduce the levies made by any of those units, the reduction so made shall be in Taxes levied

by such units (including, without limitation, the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The Taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over Taxes levied by each such unit (including, without limitation, the State) for all other purposes where reduction is necessary in order to comply with the limitation imposed by NRS 361.453.

Section 35. Correlation of Levies. Such Taxes shall be levied and collected in the same manner and at the same time as other Taxes are levied and collected. The proceeds of Taxes levied to pay interest on the Bonds shall be kept by the Treasurer in a special account designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E Tax Fund--Interest," and the proceeds of Taxes levied to pay the principal of the Bonds shall be kept in a special account designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E Tax Fund--Principal". Such accounts shall be used for no other purpose than the payment of interest on and principal of the Bonds, respectively, as the same become due.

Section 36. Use of General Fund. Any sums coming due on the Bonds at any time when there are on hand from such Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the State, reimbursement to be made for such general funds in the amounts so advanced when the Taxes have been collected, pursuant to NRS 349.242.

Section 37. Use of Other Funds. Nothing in this Order prevents the State from applying any funds that may be available for that purpose to the payment of the Bond Requirements of the Bonds, including without limitation moneys available in the Revolving Fund, and upon such payment, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 349.244.

Section 38. Legislative Duties. In accordance with NRS 349.238 through 349.244, it shall be the duty of the State Legislature, at the time and in the manner provided by law for levying other taxes of the State, if such action shall be necessary to effectuate the provisions of this Order, to ratify and carry out the provisions of this Order with reference to the annual levy and collection of such Taxes; and the State Legislature shall require the officers of the State to levy, extend and collect

such Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds.

Section 39. Appropriation of Taxes. In accordance with NRS 349.248, there is specially appropriated the proceeds of such Taxes to the payment of the Bond Requirements of the Bonds; and such appropriations shall neither be repealed nor such Taxes postponed or diminished (except as otherwise expressly provided) until the Bond Requirements of the Bonds have been wholly paid.

Section 40. Use of Bond Proceeds. Pursuant to NRS 349.294, amounts received from the sale of the Bonds, including any premium on the Bonds, shall be deposited:

A. First, the balance of the proceeds of the Bonds shall be deposited in an account designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E Costs of Issuance" (the "Costs of Issuance Account") to be applied to payment of the costs of issuance of the Bonds. Any amounts remaining in the Costs of Issuance Account after payment of the costs of issuance of the Bonds shall be deposited in the Acquisition Account (defined below).

B. Second, the balance of the proceeds of the Bonds shall be deposited in an account of the Revolving Fund designated as the "State of Nevada, General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E Acquisition Account" (the "Acquisition Account") to be applied to payment of the costs of the Improvement Project.

Section 41. Use of Investment Proceeds. Pursuant to NRS 445A.125, any interest or other gain from the investment of any proceeds of the Bonds credited to the Costs of Issuance Account shall be deposited promptly upon its receipt to the Costs of Issuance and applied as provided in the Act and to the Acquisition Account shall be deposited promptly upon its receipt to the Acquisition Account and applied as provided in the Act.

Section 42. Use of Acquisition Account. The moneys in the Acquisition Account, except as otherwise expressly provided, shall be used and paid out solely for the purpose of paying the cost of the Improvement Project.

Section 43. Prevention of Bond Default. Except as otherwise expressly provided by this Order, the Treasurer shall use any Bond proceeds credited to the Acquisition Account,

without further order or warrant, to pay the Bond Requirements of the Bonds, as the same become due, whenever and to the extent moneys otherwise available therefor are insufficient for that purpose.

The Treasurer shall promptly notify the Director and the Director of the Office of Finance of any such use. Any moneys so used shall be restored to the Acquisition Account from the first revenues thereafter received and available for such restoration.

Section 44. Lien of the Bonds. The Bonds authorized herein constitute an irrevocable lien (but not necessarily an exclusive lien) upon the moneys available in the Revolving Fund on a parity with the outstanding 2011C Bonds and 2013B Bonds (collectively, the "Leveraged Bonds"), the Leveraged Bonds, and any bonds hereafter issued on a parity with the lien of such bonds; subject to any superior liens of any superior securities hereafter issued.

Section 45. Equality of Bonds. Except as provided in Section 10, the Matching Bonds, the Leveraged 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 moneys available in the Revolving Fund and shall not be entitled to any priority one over the other in the application of the moneys available in the Revolving Fund, regardless of the time or times of the issuance of the Matching Bonds, the Leveraged Bonds and any other such securities, it being the intention of the State that there shall be no priority among the Matching Bonds, the Leveraged Bonds and any securities hereafter issued on a parity with the Matching Bonds and the Leveraged Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Section 46. Sale of Municipal Securities. The Treasurer shall not sell any securities issued by any local government evidencing its loan from the Revolving Fund made, in whole or in part with the proceeds of the Bonds, unless and until the Bond Requirements of all the Bonds shall have been paid.

Section 47. 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 Order. There shall be deemed to be such due payment when there has been placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be

initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond or upon any prior redemption date as of which the State shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the trust bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished the Paying Agent shall mail written notice of the defeasance to the registered owners of the Bonds at the addresses last shown on the registration records for the Bonds maintained by the Registrar.

Section 48. Tax Covenant. The State covenants for the benefit of the holders of the Bonds (the "Bondholders") 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 State, or any facilities refinanced with the proceeds of the Bonds if such action or omission would (i) cause interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code") or (ii) 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. The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds until the date on which all obligations of the State in fulfilling the above covenants have been met.

Section 49. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on or be affected by the validity or regularity or any proceedings relating to the Project. The Purchaser, and any owner of the Bonds, shall in no manner be responsible for the application or disposal by the State or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys described in this Order.

Section 50. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the State upon direction of the

Treasurer shall determine that it is in the best interests of the State to replace said Registrar or Paying Agent, the State may, upon notice mailed electronically or otherwise to each owner of any Bond at the address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the State shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

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 Order, 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 Order to the contrary notwithstanding.

Section 51. Amendments. This Order may be amended or supplemented by instruments adopted by the State Treasurer, without receipt by the State of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or a majority of the holders of the Bonds at the time of the adoption of the amendatory or supplemental instrument, excluding Bondholders which may then be held or owned for the account of the State. No such instrument shall permit:

- A.** a change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon;
- B.** a reduction in the principal amount of any Bond or the rate of interest thereon;
- C.** the establishment of priorities as between the Bond issued and Outstanding under the provisions of this Order; or
- D.** the modification of, or other action which materially and prejudicially affects the rights or privileges of the Bondholder.

Whenever the State Treasurer proposes to amend or modify this Order under the provisions hereof, the State Treasurer shall cause the Registrar to send electronic notice of the proposed amendment to the Bondholders and the insurer of the Bonds, if any. 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 State Treasurer for public inspection.

Whenever the insurer of the Bonds, if any, has consented in writing to the proposed amendment, or at any time within one year from the date of such notice there shall be filed in the office of the State Treasurer an instrument or instruments executed by a majority of the Bondholders 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 State Treasurer may adopt the amendatory instrument and the instrument shall become effective. Any consent given by the insurer of the Bonds, if any, or the Bondholders pursuant to the provisions hereof shall be irrevocable.

Any Bond authenticated and delivered after the effective date of any action taken as provided in this Section may bear a notation by endorsement or otherwise in form approved by the State Treasurer as to the action; and if any Bond so authenticated and delivered shall bear such notation, then upon demand of the Bondholders at such effective date and upon presentation of a Bond, suitable notation shall be made on the Bond as to any such action. If the State Treasurer so determines, a new Bond so modified as in the opinion of the State Treasurer to conform to such action shall be prepared, registered and delivered; and upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to the owner of the Bond then Outstanding upon surrender of such Bond.

Section 52. Continuing Disclosure Undertaking. The State covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the final Disclosure Dissemination Agreement in substantially the form now on file with the Secretary of the State Board of Finance, hereby authorized to be executed by the State Treasurer or designee and delivered in connection with the delivery of the Bonds.

Section 53. 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 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 State for any reason is rendered incapable of fulfilling its obligations hereunder;

D. **Appointment of Receiver.** An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and

E. **Default of Any Provision.** The State makes any default in the due and punctual performance of any other of the representations, covenants (other than the covenant set forth in Section 52), conditions, agreements and other provisions contained in the Bonds or in this Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the Bonds then Outstanding.

Section 54. Remedies for Default. Upon the happening and continuance of any of the events of default, as provided in Section 53 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 State and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under this Order 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 State 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 55. Delegated Powers. The officers of the State are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Order, including, without limitation:

A. The printing of the Bonds, including, without limitation, a statement of insurance, if applicable;

B. The execution of such certificates and agreements as may be reasonably required by the Purchaser relating, among other things, to continuing disclosure, the execution of the Bonds, the tenure and identity of the officials of the Board and of the State, the delivery of the Bonds, the assessed valuation of the taxable property in and the indebtedness of the State, the receipt of the Bond purchase price, the exemption of interest on the Bonds from federal income taxation, and, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bonds;

C. The execution of the appropriate agreements with the Registrar and Paying Agent as to their services hereunder; and

D. The sale and issuance of the Bonds pursuant to the provisions of this Order.

Section 56. Ratification. All action heretofore taken (not inconsistent with the provisions of this Order) by the officers of the State, and otherwise taken by the State in connection with:

A. The Project, and

B. The sale and issuance of the Bonds, is ratified, approved and confirmed, including without limitation the preparation and distribution of a Preliminary Official Statement and Final Official Statement relating to the Bonds.

Section 57. Additional Securities. The State reserves the privilege of issuing additional general obligation securities authorized by law at any time or from time to time for any lawful purpose.

Section 58. Order Irrepealable. After any of the Bonds are issued, this Order shall constitute an irrevocable contract between the State and the owner or owners of the Bonds; and this Order, 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.

Section 59. Repealer. All bylaws, orders, resolutions, other instruments, or parts thereof, inconsistent with this Order are repealed to the extent of such inconsistency.

Section 60. Severability. If any section, subsection, paragraph, clause, or other provision of this Order 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 Order.

Section 61. Effective Date. This Order shall be in full force and effect upon execution.

ORDERED on November 19, 2019.

Zachary B. Conine, State Treasurer

Appendix I

Year Maturing
(August 1)

Principal
Amount

Interest
Rate



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (Board) Members

FROM: Lori Chatwood, Deputy Treasurer-Debt Management

SUBJECT: October 8, 2019 Agenda Item #5- Department of Taxation Permanent School Fund Report and the State Permanent School Fund Guarantee Agreement for Storey County School District

DATE: September 26, 2019

Agenda Item #5:

For possible action – Discussion and possible action on a resolution approving the report submitted by the executive director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the Storey County School District, Nevada, General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed) Series 2019, in the aggregate principal amount not to exceed \$6,150,000.

Summary: The State Treasurer and the Executive Director of the Department of Taxation are seeking the State Board of Finance's approval on the resolution pertaining to the Storey County School District (District), General Obligation Refunding Bonds Series 2019, in the aggregate principal amount not to exceed \$6,150,000. The District is requesting to enter into a guarantee agreement with the State Treasurer to use the State Permanent School Fund (PSF) to guarantee the payment of the debt service on the bonds. The Permanent School Fund Guarantee Program (PSFG) will allow the District to realize ~\$93,300 in cost savings over the life of the bonds by utilizing the PSFG for the refunding. The District has limited resources available for capital improvements and these savings, while small, will be used to facilitate future capital improvements to the District's facilities. The State Board of Finance's approval is required under NRS 387.513 to 387.528, inclusive.

Background: The PSFG allows Nevada school districts to apply to the State Treasurer for a guarantee agreement through which money in the PSF is used to guarantee the payment of the debt service on the bonds that the school district will issue. The amount of the guarantee for bonds of each school district outstanding at any one time must not exceed \$40 million.

CARSON CITY OFFICE

State Treasurer
101 N. Carson Street, Suite 4
Carson City, Nevada 89701-4786
(775) 684-5600 Telephone
(775) 684-5623 Fax

STATE TREASURER PROGRAMS

Guinn Millennium Scholarship Program
Nevada Prepaid Tuition Program
Nevada College Savings Plans
Nevada College Kick Start Program
Unclaimed Property

LAS VEGAS OFFICE

State Treasurer
555 E. Washington Avenue, Suite 4600
Las Vegas, Nevada 89101-1074
(702) 486-2025 Telephone
(702) 486-3246 Fax

Pursuant to Nevada Revised Statute (NRS) 387.513 to 387.528, the State Treasurer may enter into a guarantee agreement with the school district if:

- i. The Executive Director of the Department of Taxation submits a report which attests to the school district's ability to make timely payments on the debt service of the bonds;
- ii. It is determined that the amount of the bonds to be guaranteed under the agreement and all other outstanding bonds under the PSFG program do not exceed \$40 million; and
- iii. The State Board of Finance approves via a resolution both the report submitted by the Executive Director of the Department of Taxation and the guarantee agreement.

The PSFG Program is currently rated "AAA" by both Moody's Investor Service (Moody's) and Standard and Poor's (S&P). It would not be financially feasible for many Nevada school districts to issue debt without the guarantee of the PSFG program. PSFG provides an opportunity for school districts to gain the benefits of a "AAA" rating in the issuance of PSFG debt which results in greater marketability/access to investors and ultimately, interest cost savings.

Purpose: The proposed Storey County School District General Obligation Refunding Bonds Series 2019 will be issued to refund all Storey County School District outstanding Permanent School Fund Guarantee bonds for debt service savings.

- The report submitted by the Executive Director of the Department of Taxation concluded the District has the ability to make timely payment on the debt service of the bonds. Please see Attachment B.
- The State Treasurer attests that with the approval of this resolution and after the issuance of the refunding bonds, the District will be utilizing \$6,150,000 of their \$40,000,000 authorization under the PSFG program. As of October 8, 2019, the District has \$6,535,500 of outstanding principal guaranteed by the Permanent School Fund (PSF). Please see Attachment C and D.

As of September 26, 2019, the District anticipated realizing approximately \$93,300 in cost savings over the life of the bonds by utilizing the PSFG for the refunding bonds. Pursuant to the resolution, Storey County will have the flexibility to evaluate and pursue refunding the bonds over the next six (6) months. The refunding savings reflected in this proposed issuance are based upon the current interest rate environment. Continued volatility in the capital markets could increase and/or reduce these proposed savings.

The refunding would not be financially feasible for the District without the use of the guarantee program. The District anticipates refunding bonds issued in 2013 and 2015 which refunded bonds originally issues in 2005, 2006, and 2008. The original bonds financed improvements to various school facilities, including facility additions, athletic fields and facility improvements. The District has limited resources available for capital

improvements and these savings, while small, will be used to facilitate future capital improvements to the District's facilities.

Recommendation: State Treasurer Zach Conine and Melanie Young, Executive Director of the Nevada Department of Taxation respectfully request the State Board of Finance's approval of the resolution pertaining to the Storey County School District, General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed) Series 2019, in the aggregate principal amount not to exceed \$6,150,000.

APPENDIX A: Permanent School Fund Guarantee (PSFG) History and Background

The 1956 special session of the legislature enacted Chapter 32, which provided for the creation of the State Permanent School Fund (PSF) to account for the money accruing to the State of Nevada under Article 11, Section 3 of the State Constitution.

The 1997 legislature added Nevada Revised Statutes (NRS) 387.513 -387.528, inclusive, which created the *Guarantee of Bonds With Money From the State Permanent School Fund (PSFG)* in an amount not to exceed two hundred fifty percent of the lower of the cost or fair market value of the assets in the PSF with the amount of the guarantee for bonds of each school district not to exceed \$25 million outstanding at any one time.

The 2007 legislature amended the statutes to increase the maximum amount of the guarantee for bonds of each school district outstanding at any one time to \$40 million.

Approval: The school district submits a PSFG application to the State Treasurer who provides a copy of the application to the Executive Director of the Department of Taxation. The Department of Taxation then investigates the school district's ability to make timely payments on the debt service of the bonds. The State Treasurer determines that the amount of the bonds subject to the PSFG and all other PSFG outstanding bonds of the district does not exceed the \$40 million limitation established by the Guarantee Act.

The State Board of Finance reviews a resolution and approves the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the school district.

Payment Default : If a school district fails to make a timely payment on the debt service of bonds that are guaranteed pursuant to the provisions of the PSFG, the State Treasurer will make the payment on the debt service by withdrawing funds from the State Permanent School Fund (PSF) and report the payment to the Executive Director of the Department of Taxation.

The amount of money withdrawn from the PSF to make the debt service payment shall be deemed a loan to the school district and the loan must be repaid by the school district, unless payment would cause it to default on other outstanding bonds, medium-term obligations or installment-purchase agreements.

If the school district is not able to fully repay the loan, including any accrued interest, in a timely manner, the State Treasurer will withhold the money that would otherwise be distributed to the school district from the interest earned on the PSF that is distributed by the Distributive School Account. The State Treasurer will apply the money first to the interest on the loan and, when the interest is paid in full, then to the balance. When the interest and balance on the loan is repaid, the State Treasurer will resume making the distributions that would otherwise be due to the school district.

ATTACHMENT A
**Resolution Approving the Report Submitted by the Executive Director of
the Department of Taxation and the State Permanent School Fund
Guarantee Agreement**

THEORY

The theory of the present work is based on the assumption that the system is in a state of equilibrium. The system is assumed to be in a state of equilibrium, and the theory is based on the assumption that the system is in a state of equilibrium. The theory is based on the assumption that the system is in a state of equilibrium.

RESOLUTION

A RESOLUTION APPROVING THE REPORT SUBMITTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF TAXATION AND THE STATE PERMANENT SCHOOL FUND GUARANTEE AGREEMENT PERTAINING TO THE STOREY COUNTY SCHOOL DISTRICT, NEVADA, GENERAL OBLIGATION (LIMITED TAX) REFUNDING BONDS (PSF GUARANTEED) SERIES 2019.

WHEREAS, the provisions of NRS 387.513 to 387.528, inclusive (the "Guarantee Act") authorize the use of money in the State Permanent School Fund to guarantee certain bonds (the "Guarantee") issued by the school districts in the State of Nevada (the "State"); and

WHEREAS, Storey County School District, Nevada (the "District") has submitted its application to the State Treasurer for a Guarantee of its Storey County School District, Nevada, General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed) Series 2019 in maximum aggregate principal amount of \$6,150,000 (the "Bonds"); and

WHEREAS, the State Treasurer has provided a copy of the District's application to the Executive Director of the Department of Taxation (the "Executive Director") for investigation of the District's ability to make timely payments on the debt service of the Bonds; and

WHEREAS, the State Board of Finance (the "Board") has received a written report of the investigation by the Executive Director indicating his opinion that the District has the ability to make timely payments on the debt service of the Bonds (the "Report"); and

WHEREAS, the State Treasurer has determined that the amount of the Bonds subject to the Guarantee under the State Permanent School Fund Guarantee Agreement (the "Guarantee Agreement") to be entered into between the State Treasurer and the District, in addition to any other outstanding bonds of the District guaranteed pursuant to the Guarantee Act, does not exceed the limitations established by Guarantee Act; and

WHEREAS, the Guarantee Act requires that the Report and the Guarantee Agreement be approved by the Board.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FINANCE
OF THE STATE OF NEVADA:**

Section 1. All action previously taken by the Board, the Treasurer, the Executive Director and other officers of the State directed toward the Guarantee of the Bonds pursuant to the Guarantee Act are hereby ratified, approved and confirmed.

Section 2. The Report is hereby approved, and the Guarantee Agreement in substantially the form currently on file with the Secretary to the Board with such changes, modifications or amendments deemed necessary by the State Treasurer is hereby approved pursuant to the Guarantee Act which approval shall be valid for a period of 6 months following the date of this resolution.

Section 3. The Board, the Treasurer and other officers of the State and the Board are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this resolution, including without limitation, the execution and delivery of the Guarantee Agreement and Continuing Disclosure Agreement relating to the Bonds.

Section 4. The State covenants for the benefit of the District to comply with the provisions of the final Continuing Disclosure Agreement relating to the Bonds in substantially the form now on file with the Secretary to the Board, to be executed and delivered in connection with the Bonds.

PASSED, ADOPTED AND APPROVED on October 8, 2019.

Attest:

Steve Sisolak, Governor, Chairman
State Board of Finance

Tara Hagan, Secretary, State Board of Finance

STATE OF NEVADA)
)
CARSON CITY) ss.

I am the secretary of the State of Nevada ("the State") Board of Finance (the "Board") and do hereby certify that:

1. The foregoing pages constitute a true, correct, complete resolution (the "Resolution") which was passed and adopted by the Board at the duly held meeting of October 8, 2019, in the Old Assembly Chambers of the State Capitol Building, 2nd Floor in Carson City, Nevada and the Governor's Office in Las Vegas, Nevada (the "Resolution").

2. The original of the Resolution was signed by the Chairman of the Board and authenticated by me as ex officio Secretary of the Board, and was recorded in the minutes of the Board kept for that purpose in my office.

3. Members of the Board, i.e.,

Governor:	Steve Sisolak
Treasurer:	Zachary B. Conine
Controller:	Catherine Byrne
Other Members:	Brian A. Sagert and Teresa J. Courier

attended such meeting and voted in favor of the passage of the Resolution.

4. All members of the Board were given due and proper notice of such meeting.

5. Pursuant to NRS 241.020, written notice of such meeting was given at least three working days before the meeting:

(a) By giving a copy of the notice to each member of the Board;

(b) By posting a copy of the notice on the official website of the State of Nevada pursuant to NRS 232.2175, at the principal office of the Board, or if there is no principal office, at the building in which the meeting was held, and at least three other separate, prominent places within the jurisdiction of the Board, to wit:

- (i) Capitol Building, Carson City, Nevada;
- (ii) Blasdel Building, Carson City, Nevada;
- (iii) Legislative Building, Carson City, Nevada;
- (iv) Nevada State Library, Carson City, Nevada;

- (v) Grant Sawyer Building, Las Vegas, Nevada
- (vi) City Hall, Reno, Nevada;
- (vii) City Hall, Elko, Nevada; and
- (viii) City Hall, Henderson, Nevada;

(c) By giving a copy of the notice to each person, if any, who had requested notice of the meetings of the Board in the same manner in accordance with the provisions of Chapter 241 of NRS.

6. A copy of the notice so given is attached to this certificate as Exhibit A; a copy of the report of the Executive Director of the Department of Taxation is attached to this certificate as Exhibit B; the Certificate of the State Treasurer making the determinations required by subsection 1 of NRS 387.522 is attached to this certificate as Exhibit C; and the form of the Guarantee Agreement referred to in the Resolution is attached to this certificate as Exhibit D.

7. No other proceedings were adopted and no other action was taken or considered at such meeting relating to the subject matter of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand on October 8, 2019.

Secretary, State Board of Finance

EXHIBIT A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Report of Executive Director)

EXHIBIT C

(Attach Certificate of State Treasurer)

EXHIBIT D

(Attach Form of Guarantee Agreement)

ATTACHMENT B
Report Submitted by the Executive Director of the Department of Taxation



STEVE SISOLAK
Governor
JAMES DEVOLLO
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

**STATE OF NEVADA
DEPARTMENT OF TAXATION**

Web Site: <https://tax.nv.gov>

1550 College Parkway, Suite 115
Carson City, Nevada 89706-7837
Phone: (775) 684-2000 Fax: (775) 684-2020

LAS VEGAS OFFICE
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RENO OFFICE
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Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 887-9399
Fax: (775) 688-1303

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 100
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

September 19, 2019

Lori Chatwood
Deputy Treasurer of Debt Management
State of Nevada
101 North Carson Street, Suite 4
Carson City, NV 89701-4786

Re: Guaranty Request – Storey County School District

Dear Ms. Chatwood:

The Department of Taxation has reviewed the materials submitted on behalf of the Storey County School District pursuant to NRS 387.618. The documents are requesting authorization for a guaranty from the Permanent School Fund for a proposed bond issue. At the September 18, 2019 Board meeting, the District received approval from the board to issue general obligation bonds to finance the acquisition refinance the refunding of all or portion of the prior bonds as long as the issuance will not result in an increase of the existing school bond debt property tax rate \$.1447 and the amount of the bond will not to exceed \$6,150,000 in November 2019.

The District anticipates refunding bonds issued in 2013 and 2015 which refunded bonds originally issued in 2005, 2006, 2008. The original bonds financed improvements to various school facilities, including facility additions, athletic fields and facility system improvements. The District has had limited resources available for capital improvements and these savings, while small, will be used to facilitate future capital improvements to the District's facilities.

The Department has concluded its analysis of the documents contained in the guaranty application and financial information submitted to the Local Government Finance Section. It appears that the school district does have the ability to make timely payments of the debt service of the bonds and does not anticipate the need to increase its current tax rate in order to fund re-payment.

The Department of Taxation recommends that approval be rendered by the Board of Finance to facilitate the issuance of the Storey County School District General Obligations Refunding Bonds (PSF Guaranteed), in an amount not to exceed \$6,150,000.

Sincerely,


Melanie Young
Executive Director

Cc: Jean Oliver
Todd Hess
Kristen Chandler
Kendra Follett
Marty Johnson

The first of these is the fact that the
 government has been unable to raise
 the necessary funds to meet its
 obligations. This is due to a
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 combination of factors, including
 the fact that the government has
 been unable to raise the necessary
 funds to meet its obligations.

ATTACHMENT C

Certification Submitted by the State Treasurer

THE UNIVERSITY OF CHICAGO

LIBRARY OF THE UNIVERSITY OF CHICAGO

CERTIFICATE OF STATE TREASURER

IT IS HEREBY CERTIFIED and determined by the undersigned, State Treasurer of the State of Nevada (the "Treasurer") that:

1. The Storey County School District, Nevada, General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed) Series 2019 (the "Bonds") to be guaranteed by the State of Nevada under the Guarantee Agreement between the Storey County School District and the Treasurer will not exceed the aggregate principal amount of \$6,150,000.

2. The maximum principal amount of the Bonds (i.e., \$6,150,000), plus the total amount of outstanding bonds guaranteed pursuant to NRS 387.513 to 387.528, inclusive, on the date of delivery of the Bonds will not exceed the limitation established by subsection 1 of NRS 387.522.

WITNESS my hand on September 19th, 2019.

STATE OF NEVADA

By 

Zachary B. Conine, State Treasurer

ATTACHMENT D

State Permanent School Fund Guarantee Agreement

STATE PERMANENT SCHOOL FUND GUARANTEE AGREEMENT

DATED as of November __, 2019, by and between STOREY COUNTY SCHOOL DISTRICT, NEVADA (the "District"), a school district duly organized and created under the laws of the State of Nevada and THE STATE TREASURER OF THE STATE OF NEVADA (the "Treasurer").

WHEREAS, the District is duly organized, created and existing under the laws of the State of Nevada (the "State"); and

WHEREAS, the District, as of the date hereof, will be issuing its General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed) Series 2019 (the "Bonds"), in the aggregate principal amount of \$_____ to refund certain outstanding bonds of the District; and

WHEREAS, pursuant to Chapter 387, Nevada Revised Statutes (the "Act"), the Board of Trustees of the District (the "Board") may apply to the Treasurer for a guarantee agreement whereby money in the State Permanent School Fund (the "Permanent Fund") is used to guarantee the payment of debt service on the Bonds; and

WHEREAS, the Board has applied to the Treasurer for a guarantee agreement; and

WHEREAS, pursuant to the Act, the Treasurer has provided a copy of the application and the supporting documentation to the Executive Director of the State Department of Taxation (the "Executive Director") and the Executive Director has submitted a report to the State Board of Finance indicating that the District has the ability to make timely payment of the debt service on the Bonds; and

WHEREAS, the Treasurer has determined that the total principal amount of the Bonds, together with the total amount of outstanding bonds guaranteed by the Permanent Fund, does not exceed the limitations established by the Act; and

WHEREAS, on October 8, 2019, the State Board of Finance adopted a resolution approving the report submitted by the Executive Director and the form of this guarantee agreement (the "Guarantee Agreement"); and

WHEREAS, the Bonds are authorized to be issued by a resolution of the Board (the "Bond Resolution") adopted on October __, 2019; and

WHEREAS, the District and the Treasurer wish to enter into this Guarantee Agreement in order to set forth the respective responsibilities of each party with respect to the Permanent Fund guarantee of the payment of debt service on the Bonds.

NOW, THEREFORE, the District and the Treasurer, in consideration of the mutual covenants herein contained, agree as follows:

Section 1. The Board hereby appoints the Treasurer, or Wells Fargo Bank, N.A., a commercial bank hereby designated by the Treasurer, as the paying agent (the "Paying Agent") for the Bonds. The Paying Agent may be replaced on the terms set forth in the Bond Resolution with the prior written approval of the Treasurer.

Section 2. No later than 5 business days prior to each date scheduled for the payment of principal and/or interest on the Bonds as set forth in the Bond Resolution, the District shall transfer to the Paying Agent sufficient moneys to pay the debt service coming due on the Bonds. The Board hereby agrees to deposit the amount of money due for each scheduled debt service payment with the Paying Agent no later than 5 business days prior to each scheduled debt service payment date, as set forth in the Bond Resolution. The District shall provide in the Bond Resolution that:

A. the Paying Agent must immediately notify the Treasurer if the Paying Agent has not received from the District the debt service payment on the fifth business day prior to the scheduled debt service payment date; and

B. the Paying Agent must give notice to the Treasurer of any optional redemption or defeasance of the Bonds.

Section 3. In the event the District determines that it will be unable to make a deposit with the Paying Agent as required in Section 2 hereof, the Superintendent of the District shall provide written notice to the Treasurer and the Paying Agent at least 60 days before such payment is due.

Section 4. In the event the District for any reason fails to make a timely payment of debt service on the Bonds as required by Section 2 hereof, the Treasurer shall withdraw a sufficient amount of money from the Permanent Fund to make the debt service payment on the Bonds, transfer to the Paying Agent no later than 1 business day prior to the scheduled debt service payment date a sufficient amount of money to make the debt service payment when due, and

promptly notify the Executive Director of the payment. Such payment shall be made by the Treasurer regardless of whether the District provides written notice to the Treasurer pursuant to Section 3 hereof. Such withdrawal from the Permanent Fund and payment of debt service on the Bonds shall constitute a loan to the District in the amount of the debt service paid on the Bonds. The loan shall be a special obligation of the District payable only from the sources set forth in Section 5 below. The loan shall bear interest at a rate determined by the Treasurer, which rate shall not exceed 1% above the average rate of interest yielded on investments in the Permanent Fund on the date the loan is made.

Section 5. In the event the Treasurer makes a loan to the District pursuant to Section 4 hereof, the District agrees to repay the loan from the following sources and in the following order of priority:

A. As soon as they are available, from District moneys available to pay debt service on the Bonds, unless payment from that money would cause the District to default on other outstanding bonds or medium-term obligations entered into pursuant to the provisions of Sections 350.087 to 350.095, inclusive, Nevada Revised Statutes ("NRS"); and

B. Immediately, until the loan is fully repaid (including any accrued interest on the loan), the Treasurer shall withhold payments of money that would otherwise be distributed to the District from:

(a) the interest earned on the Permanent Fund that is distributed among the various school districts pursuant to State law;

(b) distributions of the Local School Support Tax, which must be transferred by the State Controller upon notification by the Treasurer; and

(c) distributions from the State Distributive School Account.

C. The Treasurer shall apply the moneys received or withheld from the District pursuant to paragraphs (A) and (B) above first to the interest due on the loan and, when the interest is paid in full, then to the principal balance. When the interest and balance on the loan are repaid, the Treasurer shall resume making the distributions set forth in (a) through (c) above that would otherwise be due to the District.

D. The Treasurer shall notify the District of amounts withheld pursuant to paragraph (B) above and also shall notify the District when the loan is paid in full.

Section 6. The District shall not enter into any medium-term obligations pursuant to the provisions of NRS 350.087 to 350.095, inclusive, or otherwise borrow money during the period in which the loan remains unpaid unless the District obtains the prior written approval of the Executive Director.

Section 7. This Guarantee Agreement shall be effective upon issuance of the Bonds and shall remain in effect until the Bonds are retired and all amounts owed by the District hereunder have been paid in full or otherwise discharged. Any amount owed by the District hereunder shall not be deemed paid in full or otherwise discharged if such amount has been recovered from the State or a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

Section 8. The holders of the Bonds are third party beneficiaries of this Guarantee Agreement and are entitled to enforce the provisions of this Guarantee Agreement. Nothing in this Guarantee Agreement is intended or shall be construed to confer upon, or give to any person or entity, other than the District, the State of Nevada, acting by and through the State Board of Finance or the State Treasurer, and the holders of the Bonds, any right, remedy or claim under or by reason of this Guarantee Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations and agreements in this Guarantee Agreement shall be for the sole and exclusive benefit of the District, the State of Nevada and the holders of the Bonds.

Section 9. This Guarantee Agreement may not be modified or amended in any manner after the Bonds are issued if the amendment or modification would materially or adversely affect the holders of the Bonds. This Guarantee Agreement may only be amended or modified by a written amendment signed by the parties and approved by the State Board of Finance and the Board of the District. Notice of any such amendment must be sent to: Moody's Investors Services and Standard & Poor's Rating Services.

Section 10. It is mutually understood and agreed that this Guarantee Agreement shall be governed by the laws of the State of Nevada.

Section 11. If any section, paragraph, clause or provision of this Guarantee Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or enforceability

of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Guarantee Agreement.

Section 12. Nothing in this Agreement prohibits or otherwise limits or inhibits the reasonable exercise in the future by the State and its governmental bodies of the police powers and powers of taxation inherent in the sovereignty of the State or the exercise by the United States of the powers delegated to it by the United States Constitution.

Section 13. Notices sent pursuant to the provisions of this Guarantee Agreement shall be sent to:

The District:

Storey County School District
P.O. Box C
Virginia City, Nevada 89447
Attn: Superintendent

The State:

Office of the State Treasurer
Capitol Building
101 N. Carson St., Suite 4
Carson City, Nevada 89701
Attn: Chief Deputy State Treasurer

The Paying Agent:

Wells Fargo Bank, N.A.
Corporate Trust Services - CMES
707 Wilshire Blvd., MAC E2818-176, 17th Floor
Los Angeles, CA 90017

Moody's:

Moody's Investors Service
99 Church Street
New York, New York 10007
Attn: Public Finance Rating Desk

S&P Global Ratings:

S&P Global Ratings
25 Broadway, 21st Floor
New York, New York 10004
Attn: Public Finance Rating Desk

IN WITNESS WHEREOF, the Treasurer and the District have caused this Guarantee Agreement to be duly executed and delivered as of the day and year first above written.

STOREY COUNTY SCHOOL DISTRICT,
NEVADA

By: _____
President, Board of Trustees

STATE OF NEVADA

By: _____
Zachary B. Conine, State Treasurer



State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

**Multi-Unit Housing Revenue Bonds
Decatur and Alta Apartments**

In accordance with the requirements of NRS 319.190, 319.260 and 319.270, and based upon the memorandum of support, the Administrator of the Nevada Housing Division finds that:

1. There exists a shortage of decent, safe and sanitary housing at rental rates that eligible families and seniors can afford within the Clark County, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which families and seniors of low and moderate income can afford.
3. The proposed multifamily project will expand the supply and improve the quality of decent, safe and sanitary rental housing for eligible families and seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Clark County, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

BY: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE: September 13, 2019

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the Multi-Unit Housing Revenue Bonds (Decatur and Alta Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Tuesday, October 8, 2019, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (Decatur and Alta Apartments).

C. The Findings relate to the issuance of up to \$46,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 420-unit family and senior apartment complex in Clark County located at the corner of S. Decatur Boulevard and Alta Drive in Las Vegas, NV (the Project).

D. The Housing Division will issue up to \$46,000,000 of multi-unit housing revenue bonds which will be structured in two phases, Construction Phase and Permanent Phase. The Construction Phase loan amount will be approximately \$45,400,000. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. At conversion to Permanent Phase the loan will be reduced to an approximate permanent amount of \$30,455,000 using tax credit equity installments, and will commence monthly principal amortization with a 35-year term. The bond issuance will also satisfy the Internal Revenue Code Section 42 Low-Income Housing requirement that tax-exempt debt in an amount at least equal to 50% of the tax credit depreciable basis be outstanding through the date until a project is “placed in service.” The construction and permanent debt will be placed directly with Citibank and neither will be publicly offered. The Project borrower/developer will be a limited partnership which will consist of Nevada HAND, Inc, as General Partner and Raymond James Tax Credit Funds, Inc. (“RJTCF”) as limited partner. RJTCF will be the equity investor member and will provide approximately \$26,900,000 of equity through the

purchase of 4% low income housing tax credits. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (Decatur and Alta Apartments)."

G. Attorney Opinion:

The Findings of Fact of the Administrator of the Housing Division have been reviewed by the Housing Division's Legal Counsel; and assuming the factual matter stated therein is accurate, and except for the bond issue cash flow analyses and other financial and statistical data included therein as to which no opinion is expressed, the findings comply with the requirements of NRS 319.190, 319.260 and 319.270.

September 3, 2019

Steve Aichroth
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(Decatur & Alta Apartments) Series 2019

Mr. Aichroth:

This Review and Opinion is provided in support of the pending request by the Nevada Housing Division to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Decatur & Alta Apartments project ("Project") and authorization for issuance of up to \$46,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund the construction of new affordable family and senior housing in Las Vegas, Nevada.

PFM Financial Advisors LLC (PFM) has reviewed the Application and related material submitted to the Division for financing of the Project. In the course of our review we have interviewed the borrower and representatives of the proposed lender and have reviewed the lender financing term sheet and equity investor letter of intent. We have also discussed the Project and proposed funding plan with Division staff and legal counsel.

The proposed financing is a type which has previously been used for numerous Division conduit multifamily projects and has also been used extensively by other national housing finance agencies. The financing is reviewed in greater detail in Exhibit B. The proposed Project is viewed positively in the local community as evidenced by the endorsement from the City of Las Vegas. This tax-exempt financing by the Division is essential under Federal law in order to qualify the Project for 4% Low Income Housing Tax Credits without which construction of this affordable housing property at the proposed restricted income levels would not be possible without significant additional subsidy.

In our opinion, the Project meets the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Final debt issuance is to be subject to receipt of final loan and equity approval and definitive loan, bond and tax documentation.

The following exhibits are included with this memorandum and were prepared by PFM.

Exhibit A: A summary of the project and development team.

Exhibit B: The proposed funding plan.

Exhibit C: Proforma Project revenues, expenses and debt service coverage.

Sincerely,

PFM Financial Advisors LLC



Fred Eoff
Director

EXHIBIT A

PROJECT AND BORROWER TEAM

Project and Borrower Team

Summary of the Proposed Project:

The Project will be new construction of a 420-unit mixed affordable family and senior housing project on a site of approximately 19.6 acres in the City of Las Vegas located at the northwest corner of S. Decatur Boulevard and Alta Drive. The Project will consist of 240 family and 180 senior residential units in 11 separate 2-story buildings. The Project will also include a separate clubhouse building with community room and exercise facility.

386 of the residential units in the Project will be restricted for tenants with incomes ranging at or below 30% - 70% of area median income (AMI). 34 units will be unrestricted and available for rent at prevailing market rates. Details of the rent set-aside plan are provided in Table A.

Table A						
Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Allowable Monthly Rent	Less Utility Allowance	Net Monthly Rent
<u>Affordable Units:</u>						
1-Bdrm - Family	<30%	7	700	\$392	\$66	\$326
1 Bdrm - Family	<60%	17	700	\$784	\$66	\$718
1 Bdrm - Family	<70%	7	700	\$915	\$66	\$849
2 Bdrm - Family	<30%	11	900	\$471	\$66	\$405
2 Bdrm - Family	<60%	133	900	\$942	\$66	\$876
2 Bdrm - Family	<70%	11	900	\$1,099	\$66	\$1,033
3 Bdrm - Family	<30%	3	1,150	\$543	\$66	\$477
3 Bdrm - Family	<60%	20	1,150	\$1,087	\$81	\$1,006
3 Bdrm - Family	<70%	3	1,150	\$1,268	\$81	\$1,187
1 Bdrm - Senior	<30%	10	600	\$392	\$0	\$392
1 Bdrm - Senior	<60%	69	600	\$784	\$0	\$784
1 Bdrm - Senior	<70%	10	600	\$915	\$0	\$915
2 Bdrm - Senior	<30%	5	800	\$471	\$0	\$471
2 Bdrm - Senior	<60%	75	800	\$942	\$0	\$942
2 Bdrm - Senior	<70%	5	800	\$1,099	\$0	\$1,099
Total Affordable		386				
<u>Market Rate Units:</u>						
1-Bdrm - Family	n.a	5	700			\$875
2-Bdrm - Family	n.a	13	900			\$110
3-Bdrm - Family	n.a	10	1150			\$1,300
1 Bdrm - Senior	n.a	1	600			\$875
2 Bdrm - Senior	n.a	5	800			\$1,150
Total Market Rate		34				
Total Project Units		420				

Project Sponsor:

Nevada HAND Inc
295 East Warm Springs Road, Suite 101
Las Vegas, NV 89119

Project Co-Developers:

HAND Development Company	George Gekakis, Inc.
295 East Warm Springs Road, Ste 101	2655 S. Rainbow Blvd, Ste 401
Las Vegas, NV 89119	Las Vegas, NV 89146

The Project is being sponsored and developed by Nevada HAND, Inc. Nevada HAND was organized over 35 years ago and is the state's largest nonprofit 501(c)(3) dedicated to the development and management of high-quality homes and supportive services for working families and seniors. Audra Hamernik serves as President and CEO of Nevada HAND. HAND Development Company has previously developed 10 affordable family properties (1,807 units) and 26 affordable senior projects (2,291 units) in Nevada.

George Gekakis, Inc. (GGI) will serve as co-developer for the Project. The firm was founded in 1981 in Shreveport, LA and expanded to Las Vegas, NV in 1989. George Gekakis continues to serve as the firm's president. The firm added construction of independent senior housing to its construction activities thorough the 1990s. GGI had developed 10 affordable family and senior projects in Nevada totally 1,054 units and has constructed 4 additional projects totally 288 units for other owners, also in Nevada.

Project Construction:

The Project general contractor will be HAND Construction Company.

Project Manager:

Upon completion the Project will be managed by HAND Property Management Company.

The Borrower Entity:

The borrower/ownership entity will be a limited partnership consisting of Nevada HAND, Inc, as General Partner and Raymond James Tax Credit Funds, Inc. ("RJTCF") as limited partner. RJTCF maintains their international headquarters in St. Petersburg, Florida and has been sponsoring affordable housing projects since 1969 and has raised more than \$6 billion in equity for more than 1,800 properties. RJTCF will provide an equity investment of approximately \$26,900,000 in exchange for 4% low income housing tax credits to be allocated for the Project.

EXHIBIT B

PROJECT FINANCE PLAN

Project Finance Plan

Borrower Discussion Regarding Finance Plan:

The Division has requested the Borrower provide any comments they wish to add regarding their rationale for selection of the lender and type of financing they propose for the Project. The Borrower's response is provided below:

We decided to select Citi as our lending partner on the Decatur and Alta transaction for a variety of reasons. We've listed just a few below:

1) Financing structure – Citi provides a private placement structure that offers very competitive fees and costs given our long-standing business relationship with them as the lender on a majority of our portfolio. The project will be our biggest single development yet and we place a lot of value in knowing our financing partners well. With Citi, we know exactly who and what we are dealing with and understand their underwriting requirements and costs vs. going through a public issuance or GSE. The project is quite complex (combination 4% and 9% aspect to the deal, family building and senior building), and Citi has extensive experience with these kinds of projects and have a good financing path forward. Citi is also able to do 49% of the equity, which really helps on larger equity deals as large amounts of equity are not always easy to place.

2) Ease of execution – given the significant number of our projects that Citi has financed, we understand Citi's processes and do not have to re-create the wheel learning new forms and processes with a different lender.

3) Certainty of execution – affordable housing transactions always have a lot of twists and turns, and our experiences with Citi give us a lot of comfort knowing that Citi will not re-trade us and that they perform as advertised. Their creativity on our financings has saved us time and money. There has been a lot of unfavorable movement on the GSE side recently (increasing spreads and changing credit criteria), and we view a GSE execution as risky given that volatility.

*David Paull
Director of Real Estate Development*

Summary of the Financing:

The financing is proposed as a direct bond purchase by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. Proceeds of the Division bonds will be used to originate a loan to the Borrower by Citibank. The debt plan consists of two phases, Construction Phase and Permanent Phase.

The Construction Phase loan amount is projected to be approximately \$45,400,000. Loan proceeds will be advanced to the Borrower on a "draw down" basis as needed to fund construction expenditures. Monthly debt service during the construction period will be interest only. The interest rate on the lender loan will be set by formula (30-Day Libor plus 2.00%). PFM estimates the core rate to be 4.12% (as of 8/28/19), and to be 4.42% when adjusted for Division and Trustee annual costs. The lender will require an interest reserve sufficient to provide a 1% cushion for increased rates during the construction period.

The Permanent Phase loan amount is projected to decrease to approximately \$30,455,000 following completion of construction and receipt of the final equity installment. The Permanent Loan will be paid monthly utilizing a 35-year principal amortization factor. The interest rate on the permanent lender loan will be set by formula (18-year LIBOR swap index plus 2.10%). PFM estimates the core permanent rate to be 3.64% (as of 8/28/19), and 3.94%

when adjusted for Division and Trustee annual costs. The permanent loan interest rate will be fixed and locked at Closing.

Citibank reserves the option to require prepayment of the loan in full at the end of the 18th year following closing.

Maximum Permanent Loan-to-Value: 90%, (subject to unit rents discounted to 10% below market)

Alternative Maximum Permanent Loan-to-Value: 85%

Debt service coverage: 1.15 to 1.00 per lender requirement

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year. Minimum required replacement reserve deposits may be adjusted based on a new physical needs assessment acceptable to Citibank which will be required for each successive five-year period until loan maturity.

The Borrower will also be required to fund an Operating Reserve in the approximate amount of \$941,000.

Sources and Uses:

Sources of Funds		
	Construction Phase	Permanent Phase
NHD Bond Proceeds	\$45,372,212	\$30,455,172
LIHTC Equity	8,082,747	26,942,489
City of Las Vegas Home Loan	1,800,000	1,800,000
Clark County LIHTF	2,200,000	2,200,000
Housing Trust Funds	3,600,000	3,600,000
Gap Financing	6,000,000	6,000,000
Deferred Development Fee		8,636,334
	\$67,054,959	\$79,633,995
Uses of Funds		
Land Cost	\$6,000,000	\$6,000,000
Construction Hard Costs	54,267,578	54,267,578
Soft Costs	4,301,202	5,559,698
Contingencies	2,486,179	2,486,179
Operating Reserve		940,540
Development Fee		10,380,000
	\$67,054,959	\$79,633,995

EXHIBIT C

PROJECT OPERATING PROFORMA

**Decatur Alta Apartments
Project Operating Proforma**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Income										
Annual Gross Rental Income	\$4,443,893	\$4,532,771	\$4,623,427	\$4,715,895	\$4,810,213	\$4,906,417	\$5,004,546	\$5,104,637	\$5,206,729	\$5,310,864
Other: Ancillary Revenue	0	0	0	0	0	0	0	0	0	0
Total Residential Income	\$4,443,893	\$4,532,771	\$4,623,427	\$4,715,895	\$4,810,213	\$4,906,417	\$5,004,546	\$5,104,637	\$5,206,729	\$5,310,864
Less: Residential Vacancy	(222,195)	(226,639)	(231,171)	(235,795)	(240,511)	(245,321)	(250,227)	(255,232)	(260,336)	(265,543)
Effective Gross Income	\$4,221,699	\$4,306,133	\$4,392,255	\$4,480,100	\$4,569,702	\$4,661,097	\$4,754,318	\$4,849,405	\$4,946,393	\$5,045,321
Adjusted Effective Gross Income	\$2,110,849									
Expenses										
General Administrative	\$304,652	\$313,792	\$323,206	\$332,902	\$342,889	\$353,175	\$363,771	\$374,684	\$385,924	\$397,502
Operating	1,321,325	1,360,965	1,401,794	1,443,848	1,487,163	1,531,778	1,577,732	1,625,064	1,673,816	1,724,030
Maintenance	405,445	417,609	430,137	443,041	456,332	470,022	484,123	498,647	513,606	529,014
Total Operating Expenses	\$2,031,423	\$2,092,366	\$2,155,137	\$2,219,791	\$2,286,385	\$2,354,976	\$2,425,626	\$2,498,394	\$2,573,346	\$2,650,547
Adjusted Operating Expenses	\$1,015,712									
Net Operating Income	\$1,095,138	\$2,213,767	\$2,237,118	\$2,260,309	\$2,283,318	\$2,306,120	\$2,328,693	\$2,351,011	\$2,373,047	\$2,394,774
Senior Debt Service										
Senior Debt Service	\$770,107	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214
Debt Service Coverage	142%	144%	145%	147%	148%	150%	151%	153%	154%	155%
Residual Receipts	\$325,031	\$673,553	\$696,905	\$720,096	\$743,104	\$765,906	\$788,479	\$810,797	\$832,833	\$854,560
LP Asset Mgt Fee										
LP Asset Mgt Fee	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921
DDF Payments										
DDF Payments	319,726	668,089	691,277	714,299	737,134	759,757	782,145	804,273	826,113	847,639
DDF Balance										
DDF Balance	8,316,608	7,648,518	6,957,241	6,242,942	5,505,808	4,746,051	3,963,906	3,159,633	2,333,520	1,485,881
Surplus Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partnership Surplus Allocation (30%)										
Partnership Surplus Allocation (30%)	0	0	0	0	0	0	0	0	0	0
NHD Surplus Allocation (70%)										
NHD Surplus Allocation (70%)			0	0	0	0	0	0	0	0
GAP Loan Interest	180,000	180,000	180,000	180,000	180,000	180,000	223,200	229,896	236,793	243,897
GAP Loan Principal		0	0	0	0	0	0	0	0	0
GAP Loan Balance	\$6,540,000	\$6,720,000	\$6,900,000	\$7,080,000	\$7,260,000	\$7,440,000	\$7,663,200	\$7,893,096	\$8,129,889	\$8,373,786

**Decatur Alta Apartments
Project Operating Proforma**

	2032	2033	2034	2035	2036	2037	2038
Income							
Annual Gross Rental Income	\$5,417,081	\$5,525,423	\$5,635,931	\$5,748,650	\$5,863,623	\$5,980,895	\$6,100,513
Other: Ancillary Revenue	0	0	0	0	0	\$0	\$0
Total Residential Income	\$5,417,081	\$5,525,423	\$5,635,931	\$5,748,650	\$5,863,623	\$5,980,895	\$6,100,513
Less: Residential Vacancy	(270,854)	(276,271)	(281,797)	(287,432)	(293,181)	(299,045)	(305,026)
Effective Gross Income	\$5,146,227	\$5,249,152	\$5,354,135	\$5,461,217	\$5,570,442	\$5,681,851	\$5,795,488
Adjusted Effective Gross Income							
Expenses							
General Administrative	\$409,427	\$421,710	\$434,361	\$447,392	\$460,814	\$474,638	\$488,877
Operating	1,775,751	1,829,023	1,883,894	1,940,411	1,998,623	2,058,582	2,120,340
Maintenance	544,885	561,231	578,068	595,410	613,273	631,671	650,621
Total Operating Expenses	\$2,730,063	\$2,811,965	\$2,896,324	\$2,983,213	\$3,072,710	\$3,164,891	\$3,259,838
Adjusted Operating Expenses							
Net Operating Income	\$2,416,164	\$2,437,187	\$2,457,811	\$2,478,004	\$2,497,732	\$2,516,959	\$2,535,650
Senior Debt Service							
Senior Debt Service	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214	\$1,540,214
Debt Service Coverage	157%	158%	160%	161%	162%	163%	165%
Residual Receipts	\$875,950	\$896,973	\$917,597	\$937,790	\$957,518	\$976,746	\$995,436
LP Asset Mgt Fee							
LP Asset Mgt Fee	7,129	7,343	7,563	7,790	8,024	8,264	8,512
DDF Payments	868,822	617,059	0				
DDF Balance	617,059	0	0				
Surplus Cash	\$0	\$272,571	\$910,034	\$930,000	\$949,495	\$968,481	\$986,924
Partnership Surplus Allocation (30%)							
Partnership Surplus Allocation (30%)	0	81,771	273,010	279,000	284,848	290,544	296,077
NHD Surplus Allocation (70%)							
NHD Surplus Allocation (70%)	0	190,800	637,024	651,000	664,646	677,937	690,847
GAP Loan Interest	251,214	258,750	260,788	257,325	253,235	248,489	243,061
GAP Loan Principal	0	190,800	376,235	393,675	411,412	429,448	447,786
GAP Loan Balance	\$8,624,999	\$8,692,949	\$8,577,502	\$8,441,152	\$8,282,975	\$8,102,017	\$7,897,291

\$46,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2019
(Decatur & Alta Apartments)

Bond/Loan Term Sheet

Borrowing Entity:	A borrower entity (to-be named), comprised of an affiliate of Nevada H.A.N.D. Inc and George Gekakis (general partner) and Raymond James Tax Credit Funds, Inc. (limited partner).
Lender:	Citibank, N.A.
Principal Amount:	<u>Construction Phase:</u> Not to exceed \$46,000,000 <u>Permanent Phase:</u> -Not to exceed 90% loan to value based on final appraisal. -Expected to be approximately \$30,455,000
Bond/Loan Type:	<p>This transaction will be a loan provided by the Lender to Nevada Housing Division to be used to fund a tax-exempt construction note which will convert to a permanent loan following construction completion and satisfaction of loan conversion criteria.</p> <p>The loan rate will be variable during the Construction Phase and fixed during Permanent Phase. The fixed rate will go into effect upon conversion to the Permanent Phase. The Permanent Phase rate will be locked at Closing.</p>
Bond/Loan Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur approximately 36 months following Closing.
Principal Payments:	Monthly, commencing at conversion to Permanent Phase
Denominations:	During the Permanent Phase the loan will amortize in equal monthly "loan" form with fractional dollar principal amortization.
Interest Rate:	<u>Construction Phase:</u> Variable, adjusted monthly @ 30-day LIBOR plus 2.00% (estimated at 8/24/19 to be approximately 4.42% including Division & Trustee fees) <u>Permanent Phase:</u> Fixed rate to be locked at Closing @ 18-year LIBOR swap rate plus 2.10% (estimated at 8/24/19 to be approximately 3.94% including Division and Trustee fees).

Maturity:	35 years (based on final underwriting) from date of conversion to permanent loan.
Debt Service Coverage:	1.15x NOI/Debt Service
Redemption:	<p>1) Prepayment without penalty during the Construction Phase unless the loan is reduced to less than the Permanent Phase Loan Amount in which case the Borrower is subject to a yield maintenance penalty on the amount below the Permanent Phase Loan Amount.</p> <p>2) Prepayment during the Permanent Phase is subject to a yield maintenance penalty.</p> <p>3) Citibank will require repayment of the loan in full 18 years from date of Closing.</p>
Indenture Funds:	<p>1) Project Fund</p> <p style="padding-left: 40px;">a) Note Proceeds Account</p> <p style="padding-left: 40px;">b) Borrower Equity Account</p> <p>2) Closing Costs Fund</p> <p>3) Expense Fund</p> <p>4) Rebate Fund</p>
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p> <p>3) Lender Origination Fee @ 1.00% of the Maximum Loan Amount</p>
Rating:	Not rated

Borrower Financing Representation

Proposed Project: Decatur and Alta Apartments

To facilitate review and approval of financing by the Nevada State Board of Finance for the proposed project the sponsor/borrower should demonstrate it has evaluated reasonable alternative financing providers/programs. Select Option A and provide the requested information. Should the sponsor/borrower prefer not to provide, or be unable to provide, information requested in Option A, select Option B.

A narrative discussion of the rationale for selection of your proposed lender would be helpful and can be provided in the Sponsor/Borrower Statement section. This would be particularly useful should you select Option B.

☐ **Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>

☒ **Option B**

The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above-named project.

Sponsor/Borrower Statement:

We decided to select Citi as our lending partner on the Decatur and Alta transaction for a variety of reasons. We've listed just a few below:

1) Financing structure – Citi provides a private placement structure that offers very competitive fees and costs given our long-standing business relationship with them as the lender on a majority of our portfolio. We gave multiple lending partners the opportunity review and provide term sheets for financing this transaction. Due to the size and complexity of the development, many, including Bank of America, decided against providing a term sheet for the transaction. Additionally, some decided they were unable to provide terms similar to Citi's terms. The project will be our biggest single development yet and we place a lot of value in knowing our financing partners well. With Citi, we know exactly who and what we are dealing with and understand their underwriting requirements and costs vs. going through a public issuance or GSE. The project is quite complex (combination 4% and 9% aspect to the deal, family building and senior building), and Citi has extensive experience with these kinds of projects and have a good financing path forward. Citi is also able to do 49% of the equity, which really helps on larger equity deals as large amounts of equity are not always easy to place.

2) Ease of execution – given the significant number of our projects that Citi has financed, we understand Citi's processes and do not have to re-create the wheel learning new forms and processes with a different lender. This helps minimize costs associated with financing, including legal and due diligence costs.

3) Certainty of execution – affordable housing transactions always have a lot of twists and turns, and our experiences with Citi give us a lot of comfort knowing that Citi will not re-trade us and that they perform

as advertised. Their creativity on our financings has saved us time and money. There has been a lot of unfavorable movement on the GSE side recently (increasing spreads and changing credit criteria), and we view a GSE execution as risky given that volatility.

4) Long term financial flexibility – A private placement with Citi allows for long term financial flexibility that a public offering and GSE's do not provide. Citi has the ability to allow financial restructuring and wave fees that is not possible in a public offering or by the GSE's.

By  _____
Audra Hamernik _____

Title President _____

Firm Nevada HAND _____



State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

**Multi-Unit Housing Revenue Bonds
Blue Diamond Senior Apartments**

In accordance with the requirements of NRS 319.190, 319.260 and 319.270, and based upon the memorandum of support, the Administrator of the Nevada Housing Division finds that:

1. There exists a shortage of decent, safe and sanitary housing at rental rates that eligible seniors can afford within the Las Vegas, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will expand the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Las Vegas, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

BY: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE: September 13, 2019

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the Multi-Unit Housing Revenue Bonds (Blue Diamond Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Tuesday, October 8, 2019, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (Blue Diamond Apartments).

C. The Findings relate to the issuance of up to \$25,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 195-unit senior apartment complex in Clark County located at Blue Diamond Road and South Quarterhorse Lane in Las Vegas, NV (the Project).

D. The Housing Division will issue up to \$25,000,000 of multi-unit housing revenue bonds which will be structured in two phases, Construction Phase and Permanent Phase. The Construction Phase loan amount will be approximately \$25,000,000. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. At conversion to Permanent Phase the loan will be reduced to an approximate permanent amount of \$15,345,000 using tax credit equity installments, and will commence monthly principal amortization with a 40-year term. The bond issuance will also satisfy the Internal Revenue Code Section 42 Low-Income Housing requirement that tax-exempt debt in an amount at least equal to 50% of the tax credit depreciable basis be outstanding through the date until a project is “placed in service.” The construction and permanent debt will be placed directly with Citibank and neither will be publicly offered. The Project borrower/developer will be a limited liability company (Blue Diamond Seniors, LLC) which will consist of Ovation Affordable Housing Inc, Coordinated Living of Southern Nevada, Inc. as Managing members and Wells Fargo Community Lending and Investment (“WFCLI”) as investor member. WFCLI will be the equity investor member and will provide approximately

\$13,000,000 of equity through the purchase of 4% low income housing tax credits. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as “Multi-Unit Housing Revenue Bonds (Blue Diamond Apartments).”

G. Attorney Opinion:

The Findings of Fact of the Administrator of the Housing Division have been reviewed by the Housing Division's Legal Counsel; and assuming the factual matter stated therein is accurate, and except for the bond issue cash flow analyses and other financial and statistical data included therein as to which no opinion is expressed, the findings comply with the requirements of NRS 319.190, 319.260 and 319.270.

September 9, 2019

Steve Aichroth
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(Blue Diamond Apartments) Series 2019

Mr. Aichroth:

This Review and Opinion is provided in support of the pending request by the Nevada Housing Division to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Blue Diamond Seniors Apartments project ("Project") and authorization for issuance of up to \$25,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of a new senior rental housing project in Clark County, Nevada.

PFM Financial Advisors LLC (PFM) has reviewed the Application and related material submitted to the Division for financing of the Project. In the course of our review we have interviewed the borrower, borrower's consultant, representatives of the proposed lender and have reviewed the lender financing term sheet and equity investor letter of intent. We have also discussed the Project and proposed funding plan with Division staff and legal counsel.

The proposed financing is a type which has previously been used for numerous Division conduit multifamily projects and has also been used extensively by other national housing finance agencies. The financing is reviewed in greater detail in Exhibit B. The proposed Project is viewed positively in the local community as evidenced by the endorsement from Clark County. This tax-exempt financing by the Division is essential under Federal law in order to qualify the Project for 4% Low Income Housing Tax Credits without which construction of this affordable senior housing project at the proposed restricted income levels would not be possible without significant additional subsidy.

In our opinion, the Project meets the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Final debt issuance is to be subject to receipt of final loan and equity approval and definitive loan, bond and tax documentation.

Exhibits A-C included with this memorandum were prepared by PFM. Exhibit D is a detailed narrative regarding the project provided by the borrower consultant and included in its entirety.

Exhibit A: A summary of the project and development team.

Exhibit B: The proposed funding plan.

Exhibit C: Proforma Project revenues, expenses and debt service coverage

Exhibit D: Borrower Project narrative

Sincerely,

PFM Financial Advisors LLC



Fred Eoff
Director

EXHIBIT A

PROJECT AND BORROWER TEAM

Project and Borrower Team

Summary of the Proposed Project:

The Project will be new construction of a 195-unit senior housing project on a site of 4.59 net acres in unincorporated Clark County at Blue Diamond Road and South Quarterhorse Lane. The Project will consist of 112 one-bedroom and 83 two-bedroom units in a single building. The Project will also include a full complement of amenities described in greater detail in Exhibit D.

The Project will be restricted for tenants aged 55 or above with incomes ranging at or below 50% - 60% of area median income (AMI). Specific details of the rent set-aside plan are provided in Table A.

Table A: Project Unit & Rent Profile						
Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Allowable Monthly Rent	Less Utility Allowance	Net Monthly Rent
<u>Affordable Units:</u>						
1 Bdrm - Senior	<50%	2	651	\$653	\$0	\$653
1 Bdrm - Senior	<60%	110	651	\$784	\$0	\$784
2 Bdrm - Senior	<50%	1	863	\$785	\$0	\$785
2 Bdrm - Senior	<60%	82	863	\$942	\$0	\$942
Total Affordable		195				
Total Project Units		195				

Project Co-Developers:

Ovation Design and Development Inc.
6021 S. Fort Apache Road
Las Vegas, NV 89148

Coordinated Living of Southern Nevada, Inc.
6021 S. Fort Apache Road
Las Vegas, NV 89148

Ovation Design and Development, Inc. is an affiliate of Ovation Contracting, Inc. Since 1984, Ovation and its founder, Alan Molasky, have built 39 apartment communities in the Las Vegas area comprising a total of 9,325 units. Coordinated Living of Southern Nevada, Inc (“CLSN”) is a Nevada non-profit organization whose mission is to promote the development of affordable housing so that low-income Nevada seniors can age in place in a setting that promotes individual control, autonomy, choice and dignity. Since its formation in 2013, CLSN has partnered with Ovation Design and Development Inc. to develop seven affordable senior projects totaling 1,108 units.

Project General Contractor:

The Project general contractor will be Ovation Contracting Inc.

Project Manager:

Upon completion the Project will be managed by Ovation Business Services, dba Property Management.

The Borrower Entity:

The project owner will be Blue Diamond Seniors LLC, a Nevada limited liability company. The organizational chart of the borrower entity is included below. As the Investor Member Wells Fargo Community Lending & Investment will provide an equity investment of approximately \$13,000,000 in exchange for 4% low income housing tax credits to be allocated for the Project.

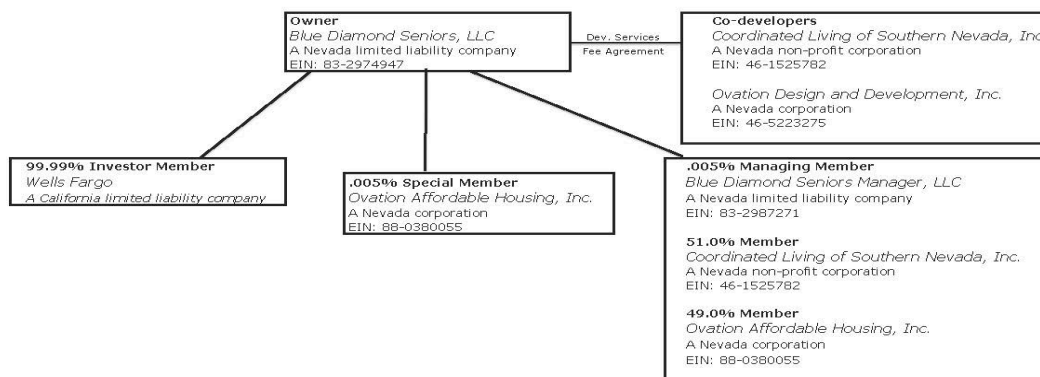


EXHIBIT B

PROJECT FINANCE PLAN

Project Finance Plan

Borrower Discussion Regarding Finance Plan:

The Division has requested the Borrower provide any comments they wish to add regarding their rationale for selection of the lender and type of financing they propose for the Project. The Borrower's response is provided below:

"Citi's terms were very competitive. Citi was the only lender willing to offer 40-year amortization and their spreads are much lower than any other lender we have spoken to, including Barings, Boston Capital and Freddie and Fannie Mae products. They agreed to keep their spreads low despite the fact that the market moved since they sent out their term sheet. Lastly, because of the relationship they will be more flexible in locking the rate a couple of months early which could be valuable if rates start moving next year before we close."

Lorri Murphy
VP, Real Estate Development
Ovation Development

Summary of the Financing:

The financing is proposed as a direct bond purchase by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. Proceeds of the Division bonds will be used to originate a loan to the Borrower by Citibank. The debt plan consists of two phases, Construction Phase and Permanent Phase.

The Construction Phase loan amount is projected to be approximately \$25,000,000. Loan proceeds will be advanced to the Borrower on a "draw down" basis as needed to fund construction expenditures. Monthly debt service during the construction period will be interest only. The interest rate on the lender loan will be set by formula (30-Day Libor plus 2.00%) adjusted monthly. PFM estimates the core rate to be 4.12% (as of 8/28/19), and to be 4.42% when adjusted for Division and Trustee annual costs. The lender will require an interest reserve sufficient to provide a 1% cushion for increased rates during the construction period.

The Permanent Phase loan amount is projected to decrease to approximately \$15,345,000 following completion of construction and receipt of the final equity installment. The Permanent Loan will be paid monthly utilizing a 40-year principal amortization factor. The interest rate on the permanent lender loan will be set by formula (18-year LIBOR swap index plus 1.95%). PFM estimates the core permanent rate to be 3.49% (as of 8/28/19), and 3.79% when adjusted for Division and Trustee annual costs. The permanent loan interest rate will be fixed and locked at Closing.

Citibank reserves the option to require prepayment of the loan in full at the end of the 18th year following closing.

Maximum Permanent Loan-to-Value: 90%, (subject to unit rents discounted to 10% below market)

Alternative Maximum Permanent Loan-to-Value: 85%

Debt service coverage: 1.15 to 1.00 per lender requirement

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year. Minimum required replacement reserve deposits may be adjusted based on a new physical needs assessment acceptable to Citibank which will be required for each successive five-year period until loan maturity.

Sources and Uses:

Sources of Funds		
	Construction Phase	Permanent Phase
Bond Proceeds	\$25,000,000	\$15,345,000
Construction Loan	\$391,033	
Clark County HOME Loan	1,500,000	1,500,000
LIHTC Equity	1,299,059	12,990,588
NHD GAHP Loan	3,000,000	3,000,000
Deferred Development Fee		3,811,905
	\$31,190,092	\$36,647,493

Uses of Funds		
Land Cost	\$2,901,478	\$2,901,478
Construction Hard Costs	20,954,492	20,954,492
Soft Costs	5,975,026	6,227,427
Contingencies	1,359,096	1,359,096
Operating Reserve		425,000
Development Fee		4,780,000
	\$31,190,092	\$36,647,493

EXHIBIT C

PROJECT OPERATING PROFORMA

**Blue Diamond Seniors
Project Operating Proforma**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Income										
Annual Gross Rental Income	\$2,108,514	\$2,150,684	\$2,193,698	\$2,237,572	\$2,282,324	\$2,327,970	\$2,374,529	\$2,422,020	\$2,470,460	\$2,519,870
Other: Ancillary Revenue	34,641	35,334	36,041	36,761	37,497	38,246	39,011	39,792	40,587	41,399
Total Residential Income	\$2,143,155	\$2,186,018	\$2,229,739	\$2,274,333	\$2,319,820	\$2,366,217	\$2,413,541	\$2,461,812	\$2,511,048	\$2,561,269
Less: Residential Vacancy	(107,158)	(109,301)	(111,487)	(113,717)	(115,991)	(118,311)	(120,677)	(123,091)	(125,552)	(128,063)
Effective Gross Income	\$2,035,997	\$2,076,717	\$2,118,252	\$2,160,617	\$2,203,829	\$2,247,906	\$2,292,864	\$2,338,721	\$2,385,495	\$2,433,205
Adjusted Effective Gross Income	1,832,398									
Expenses										
General Administrative	\$132,394	\$136,366	\$140,456	\$144,670	\$149,010	\$153,481	\$158,085	\$162,828	\$167,712	\$172,744
Operating & Maintenance	412,405	424,777	437,520	450,646	464,165	478,090	492,433	507,206	522,422	538,095
Payroll	234,390	241,422	248,664	256,124	263,808	271,722	279,874	288,270	296,918	305,826
Property Management	91,620	93,452	95,321	97,228	99,172	101,156	103,179	105,242	107,347	109,494
Replacement Reserves	48,750	50,213	51,719	53,270	54,869	56,515	58,210	59,956	61,755	63,608
Total Operating Expenses	\$919,559	\$946,229	\$973,681	\$1,001,939	\$1,031,025	\$1,060,964	\$1,091,781	\$1,123,503	\$1,156,155	\$1,189,766
Adjusted Operating Expenses	\$827,603									
Net Operating Income	\$1,004,795	\$1,130,488	\$1,144,570	\$1,158,678	\$1,172,805	\$1,186,942	\$1,201,083	\$1,215,219	\$1,229,340	\$1,243,439
Senior Debt Service	\$204,006	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026
Debt Service Coverage	493%	139%	140%	142%	144%	145%	147%	149%	151%	152%
Residual Receipts	\$800,789	\$314,463	\$328,545	\$342,652	\$356,779	\$370,916	\$385,057	\$399,193	\$413,315	\$427,413
LP Asset Mgt Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
DDF Payments	795,789	309,313	323,240	337,189	351,151	365,120	379,087	393,043	406,981	420,889
DDF Balance	3,384,471	3,075,159	2,751,919	2,414,730	2,063,579	1,698,458	1,319,371	926,328	519,347	98,458
Surplus Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partnership Surplus Allocation (30%)	0	0	0	0	0	0	0	0	0	0
NHD Surplus Allocation (70%)	0	0	0	0	0	0	0	0	0	0
GAHP Loan Interest	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
GAHP Loan Principal	0	0	0	0	0	0	0	0	0	0
GAHP Loan Balance	\$3,270,000	\$3,360,000	\$3,450,000	\$3,540,000	\$3,630,000	\$3,720,000	\$3,810,000	\$3,900,000	\$3,990,000	\$4,080,000

**Blue Diamond Seniors
Project Operating Proforma**

	2032	2033	2034	2035	2036	2037	2038
Income							
Annual Gross Rental Income	\$2,570,267	\$2,621,672	\$2,674,106	\$2,727,588	\$2,782,140	\$2,837,782	\$2,894,538
Other: Ancillary Revenue	42,227	43,072	43,933	44,812	45,708	46,622	47,555
Total Residential Income	\$2,612,494	\$2,664,744	\$2,718,039	\$2,772,400	\$2,827,848	\$2,884,405	\$2,942,093
Less: Residential Vacancy	(130,625)	(133,237)	(135,902)	(138,620)	(141,392)	(144,220)	(147,105)
Effective Gross Income	\$2,481,870	\$2,531,507	\$2,582,137	\$2,633,780	\$2,686,455	\$2,740,184	\$2,794,988
Adjusted Effective Gross Income							
Expenses							
General Administrative	\$177,926	\$183,264	\$188,762	\$194,425	\$200,257	\$206,265	\$212,453
Operating & Maintenance	554,238	570,865	587,991	605,631	623,800	642,514	661,789
Payroll	315,000	324,450	334,184	344,210	354,536	365,172	376,127
Property Management	111,684	113,918	116,196	118,520	120,890	123,308	125,774
Replacement Reserves	65,516	67,481	69,506	71,591	73,739	75,951	78,229
Total Operating Expenses	\$1,224,364	\$1,259,979	\$1,296,639	\$1,334,376	\$1,373,222	\$1,413,210	\$1,454,373
Adjusted Operating Expenses							
Net Operating Income	\$1,257,505	\$1,271,528	\$1,285,498	\$1,299,404	\$1,313,233	\$1,326,975	\$1,340,615
Senior Debt Service	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026	\$816,026
Debt Service Coverage	154%	156%	158%	159%	161%	163%	164%
Residual Receipts	\$441,479	\$455,503	\$469,473	\$483,378	\$497,208	\$510,949	\$524,590
LP Asset Mgt Fee	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024
DDF Payments	98,458	0	0	0	0	0	0
DDF Balance	0	0	0	0	0	0	0
Surplus Cash	\$336,302	\$448,582	\$462,344	\$476,036	\$489,645	\$503,159	\$516,566
Partnership Surplus Allocation (30%)	100,891	134,574	138,703	142,811	146,893	150,948	154,970
NHD Surplus Allocation (70%)	235,411	314,007	323,641	333,225	342,751	352,211	361,596
GAHP Loan Interest	90,000	90,000	90,000	90,000	90,000	90,000	90,000
GAHP Loan Principal	235,411	314,007	323,641	333,225	342,751	352,211	361,596
GAHP Loan Balance	\$3,934,589	\$3,710,581	\$3,476,941	\$3,233,716	\$2,980,965	\$2,718,753	\$2,447,157

EXHIBIT D

ADDITIONAL PROJECT DETAIL

Blue Diamond Senior Apartments
Blue Diamond Road and South Quarterhorse Lane
Las Vegas, NV 89178
APNs: 176-20-201-011 and 176-20-201-012 (4.59 acres)

Project Narrative

Physical Description

Blue Diamond Senior Apartments is a planned 195-unit affordable senior rental development to be located on Blue Diamond Road (State Route 160) and South Quarterhorse Lane. The site is west of South El Capitan Way and east of South Fort Apache Road in unincorporated Clark County. The Apartments are being co-developed by Ovation Design and Development, Inc., which is an affiliate of Ovation Contracting, Inc., and Coordinated Living of Southern Nevada, Inc., a Nevada non-profit whose mission is to promote the development of affordable housing so that low-income Nevada seniors can age in a place that promotes choice and dignity.

The four-story, new construction elevator residence will include 112 one-bedroom/one-bath units and 83 two-bedroom/one-bath units in one building, all with laundry hook-ups. The Apartments will include a full complement of common space amenities, such as a swimming pool and Jacuzzi, facilities for meetings and social gatherings, a game area, hair salon, wellness center, kitchen, and exercise room. Common area laundry facilities and a reading/media room are also anticipated. Outdoor spaces will include extensive landscaping, picnic tables, benches and barbeques, as well as carport parking for residents.

Blue Diamond Senior Apartments will be a certified EnergyStar-rated development. The building will include high efficiency heating and cooling equipment, including high efficiency gas commercial hot water heaters, EnergyStar appliances, low-E vinyl thermal pane windows, high R-value wall and attic insulation. Blue Diamond Senior Apartments will promote sustainable building techniques using low- or no-VOC paints, carpeting, padding, and adhesives, and formaldehyde-free particleboard and will promote water conservation with low-flow fixtures and extensive xeriscape landscaping.

The development will contract with a Resident Services Coordinator who will assist residents with remaining financially and physically self-sufficient.

Location and Neighborhood

Blue Diamond Senior Apartments will be located on a 4.59-acre parcel on Blue Diamond Road and Quarterhorse Lane in Ward F of unincorporated Clark County.

The area is in a mixed density residential area, with nearby land zoned for additional multi-family and commercial developments. Approximately 0.78 miles east of the project on Blue Diamond Road is a small commercial center with a full-service Walgreens Pharmacy and convenience store, restaurants, tire shop, car mechanic, a Chevron, and a Circle K gas station. The Blue Diamond Marketplace, which contains several restaurants, a Bank of America, an AutoZone, Dry Cleaner, and several fitness / dance studios, is 1.25 miles from the site. Across the street from the Blue Diamond Marketplace, is the Cimarron Square shopping center.

Cimarron Square contains a Nevada State Bank, Mountain Dental Group, Integrative Care Clinic, several restaurants, and a full-service bicycle center offering sales, maintenance, and rentals. There is a large shopping center just under 1.8 miles away containing an Albertson's grocery store, Albertson's fuel station, UPS store, Chase Bank, Supercuts, and several other restaurants and retail shops.

Desert Hills Rehabilitation Center is 3.1 miles away. Dignity Health's - St. Rose Dominican, San Martin Campus is just under 4 miles from the site, and 5 miles from the St. Rose Dominican, Blue Diamond Campus.

A walking path begins 0.76 miles from the site on South Durango Drive, providing access to Paiute Park. Access to the Le Baron Paseo trail is 1.11 miles away. Nathaniel Jones Park is 1.12 miles away. The Hunter's Edge horse riding school is 1.26 miles away, offering lessons, trainings, camps, and space for events. The Southwest Ridge Bike Trail, including the Hualapai Trail Head are 1.39 miles away.

Helping Hands of Vegas Valley offers Senior Transportation Services to those age 60 and older with proof of Nevada residency and a display of need for assistance. Nevada 2-1-1 also provides door-to-door transportation to seniors for medical appointments, shopping, banking, and other activities.

Resident Population and Market Demand

Blue Diamond Senior Apartments will be a senior-restricted development available to households with at least one member aged 55 or above. All of the units will be low-income tax credit eligible to households at or below 60% of HUD AMI. Three units will be available to households with incomes at or below 50% of AMI.

The need for affordable senior housing, and supportive elderly housing, in the Las Vegas Valley is well documented. The Clark County, North Las Vegas, Boulder City, and Mesquite HUD Consolidated Plan (HCP) 2015 – 2019 identifies both rental housing serving very low-income and extremely low-income households and housing for persons with special needs, including elderly, as priorities. The plan states: "people over 65 will make up 20% of the population in 2035 (up from 12% in 2012). The aging of the population will decrease demand for single-family detached units and increase demand for housing types specific to seniors... (p. 59)." Additionally, the Consolidated Plan stated a need for over 42,000 additional affordable housing units. (p.117)

According to the Nevada Housing Division's "Taking Stock 2017" Annual Affordable Apartment Survey, senior or senior/disabled LIHTC properties had overall average vacancy rates 1.3% lower than family properties (p.10). In Clark County, vacancy rates for senior units were 2.4% for one bedroom and 1.7% for two-bedroom units. These low vacancy rates indicate a severe need for affordable senior housing in Clark County and the surround areas. The Blue Diamond Senior Apartments development will meet a growing need for barrier-free and affordable housing for seniors in the Las Vegas Valley.

Development Team Experience

Blue Diamond Senior Apartments is being co-developed by Ovation Design and Development, Inc., an affiliate of Ovation Contracting, Inc., and Coordinated Living of Southern Nevada, Inc., a Nevada non-profit corporation whose mission is to promote the development of affordable housing so that Nevada seniors can age in a setting that promotes control, choice and dignity. Ovation Contracting, Inc. will serve as a general contractor and financial guarantor. Ovation Business services, dba Ovation Property Management, an affiliate of Ovation Contracting, Inc., will act as the property manager.

The project will be owned by the recently formed Blue Diamond Seniors, LLC. The .005% Managing Member will be the recently formed sole purpose entity, Blue Diamond Seniors Manager, LLC, and the .005% Special Member will be Ovation Affordable Housing, Inc. CLSN will be the 51% member and Ovation Affordable Housing, Inc. the 49% Member and Manager of Blue Diamond Seniors Manager, LLC.

Ovation Design and Development, Inc. (formerly known as OAH Development, Inc.)

Since 1984, Ovation and its Founder, Alan Molasky, have built 39 apartment communities in the Las Vegas area comprising 9,325 units valued in excess of \$1.2 billion dollars. Ovation completed its first tax credit senior apartment community, the 142-unit mixed-income Acapella Apartments, in June 2012. Since then, Ovation has completed eight other affordable senior communities, **totaling over 850 units**, that are nearly 100% leased:

- Minuet Senior Apartments (75-unit senior mixed-income community) opened in June 2013;
- Tempo Apartments (101 senior tax credit community) opened in April 2014;
- Acapella Duet Apartments (80-unit senior mixed-income community) opened in March 2015; and.
- Ensemble Apartments (182-unit senior tax credit community) opened in June 2015;
- Tempo Duet (a 75-unit senior tax credit community) opened in February 2016
- Ensemble Duet (a 188-unit senior tax credit community) opened in June 2016
- Minuet Senior Apartments Phase II (60-unit senior mixed-income community) opened in June 2017
- Russell III (105-unit senior mixed-income community) completed construction in June 2018

Ovation is currently developing three other affordable senior housing developments, **totaling over 650 units**, in Las Vegas in addition to the Blue Diamond Senior Apartments.

- Tenaya Senior Apartments (272-unit senior tax credit community) began construction in June 2018 and will be complete in August 2019. Tenaya Senior Apartments is currently 83.08% pre-leased.
- Fort Apache Senior Apartments (193-unit senior tax credit community) began construction in September 2018 and is scheduled to open in the end of 2019.
- Oquendo Senior Apartments (201-unit senior tax credit community) began construction in April 2019 and is scheduled to open in Summer 2020.

Ovation's focus is the design, construction, and operation of Class A apartment communities in metropolitan Las Vegas. Ovation Property Management oversees 28 properties (6,817 units), 25 of which it owns (5,709 units). They are considered to be the premiere apartment communities in Las Vegas, with a design, construction, and management team that has earned a reputation for providing high-quality lifestyle for their residents.

Alan Molasky, Ovation's CEO and Founder has been involved in the design and development of retail, commercial, office, country club and industrial projects for over three decades. He had a lead role in the design and development of Best in the West and Best on the Boulevard retail power centers as well as Bank of America West office building and Pacific Industrial Park. Alan was also heavily involved in the design and development of Las Vegas' premier, luxury high-rise condominium project, Park Towers. Under Alan's supervision, Pacific Homes grew into one of the largest homebuilders in Las Vegas and closed in excess of 4,750 homes. Through various companies under Alan Molasky's control and ownership he has developed and managed in excess of \$2 billion of real estate in Nevada and California. Alan takes extreme pride in his architectural design and cost control abilities.

Alan Molasky is also a partner and co-owner of The Molasky Group of Companies. The Molasky Group is a diversified group of real estate companies responsible for much of the Las Vegas' current skyline. In a relatively short time, The Molasky Group has also positioned itself to compete for build-to-suit deals and is now on the fast track for low-bid government contracts. New buildings for the Internal Revenue Service, the Social Security Administration, Nevada Department of Corrections and the Southern Nevada Water Authority are prime examples of how the company uses state-of-the-art strategies to build cost effectively while offering a diversity of tenant driven services. The Molasky Group has earned a reputation for skillfully managing design build projects for county, state and federal government agencies. The management team prides itself on "thinking outside the box" and providing unique and often demanding requirements and solutions to government needs. A proven low-cost provider, the development team's primary focus is communication with the tenant. The company is large enough to be efficient and cost effective but small enough to be adaptable and highly responsive to tenant's needs.

Ovation Contracting, Inc. (formerly known as Ovation Development Corporation)

Ovation Contracting, Inc. has the same ownership and officers as Ovation Design and Development, Inc., and therefore the same level of experience and expertise. Ovation Contracting, Inc. will remain as the general contractor and financial guarantor.

Coordinated Living of Southern Nevada, Inc. ("CLSN")

Coordinated Living is a Nevada non-profit whose mission is to promote the development of affordable housing so that low-income Nevada seniors can age in place in a setting that promotes individual control, autonomy, choice and dignity. Since its formation in 2013, Coordinated Living has partnered with Ovation Design and Development, Inc. to develop seven affordable senior projects totaling 1,108 units. Three of the communities are in operations, three are under construction, and one will begin construction in 2020.

In addition to the development of affordable senior housing, Coordinated Living employs Resident Service Coordinators at all of Ovation's affordable senior communities. These coordinators serve as a resource to connect residents with local governments and non-profits that help meet their basic needs. They also work with community partners to plan a full calendar of on and off-site activities that enhance the quality of the residents' lives. Arts & crafts programming, health, safety, and nutrition workshops, fitness classes, community gardening, holiday celebrations, outings and financial literacy classes are among the many activities offered. There are also numerous volunteer opportunities within the community and with some of our partners which provide the residents with a sense of purpose and a way to "give back."

Recently, Coordinated Living began work on the Food Rescue program where it partners with Three Square to distribute food to seniors at Ovation's senior properties. To date, Three Squares has distributed approximately **1 million** pounds of food to seniors at Ovation's senior properties. This is food that would otherwise have been discarded by grocery stores, and it goes a long way to combat food insecurity which is prevalent among seniors.

We are also excited that some of Coordinated Living's community partners have selected Ovation communities to launch pilot programs. For example, the Healthy Brains Program, a partnership between Three Square, the Lou-Ruvo Cleveland Clinic and UNR Cooperative Extension, recently taught classes about brain-healthy foods. The Stay Strong, Stay Healthy Program through Nevada Senior Services, Inc., also held an 8-week strength training program designed for older adults.

Coordinated Living also collects and distribute donations of furniture and household items to needy residents, provides emergency rental assistance, and plans to add other services as needed in the future.

Coordinated Living will act in numerous capacities on the Blue Diamond Senior Apartments project. First, Coordinated Living will be a 51% member of the managing member entity to Blue Diamond Seniors, LLC, which will own the Apartments. Second, Coordinated Living will co-develop the Apartments with Ovation and will in turn receive a portion of the developer fee, which will allow it to further its resident services mission. Third, as the recipient of the requested HOME funds, Coordinated Living will lend the funds to the ownership LLC, and will in turn ensure project compliance to Clark County under the HUD HOME rules. Finally, we anticipate that Coordinated Living will contract with Resident Services Coordinator at the Apartments.

With its non-profit affordable housing mission, Coordinated Living will act as an asset manager and long-term steward for the Blue Diamond Senior Apartments property, perhaps exercising the non-profit Right of First Refusal at the end of the 15-year tax credit compliance period to ensure long-term affordability.

Praxis Consulting Group, LLC

Ovation and CLSN receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity

building, fund-raising and public policy development. Since 2005, Praxis has secured the financing for almost 60 affordable housing developments in Nevada, totaling over 6,000 units and \$1.0 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

Supportive Services

Blue Diamond Senior Apartments will contract with a Resident Services Coordinator who will assist residents with remaining financially and physically self-sufficient. Services will include programs such as nutrition education through the University of Nevada Cooperative Extension, meal delivery to those who are eligible, homemaker assistance through the County Homemaker Health Aide Program, credit counseling and legal aid from Consumer Credit Counseling Services, transportation assistance, and visits by the County mobile book van. The Service Coordinator will also assist residents in accessing resources available to low-income elderly in the community, such as home health care and homemaker assistance, taxi vouchers, rental rebates, and emergency food.

CLSN maintains a monthly newsletter/calendar at their affordable senior properties featuring health and wellness workshops, exercise courses and dance classes, community game nights, hobby groups and clubs, movie viewings, and weekly social outings and events. On-site services are offered in various community spaces, including a multi-purpose room with kitchen, a hair salon, an exercise room, a game room, and a small library with donated books and puzzles. In addition, an outdoor swimming pool/spa is available for individual use and aquatics classes. Ovation and CLSN plan to offer a comparable active social calendar to residents at Blue Diamond Senior Apartments.

Financing

The financing for Blue Diamond Senior Apartments will include tax-exempt bonds issued by the Nevada Housing Division (NHD), equity from the sale of non-competitive 4% Low Income Housing Tax Credits, and HOME/LIHTF funds from Clark County. The developer also plans to apply for gap financing through the new NHD Growing Affordable Housing Program (GAHP). The GAHP funding is designed to help innovative quality affordable housing projects meet the necessary underwriting criteria to utilize the NHD tax-exempt bond and 4% Low-Income Housing Tax Credit programs.

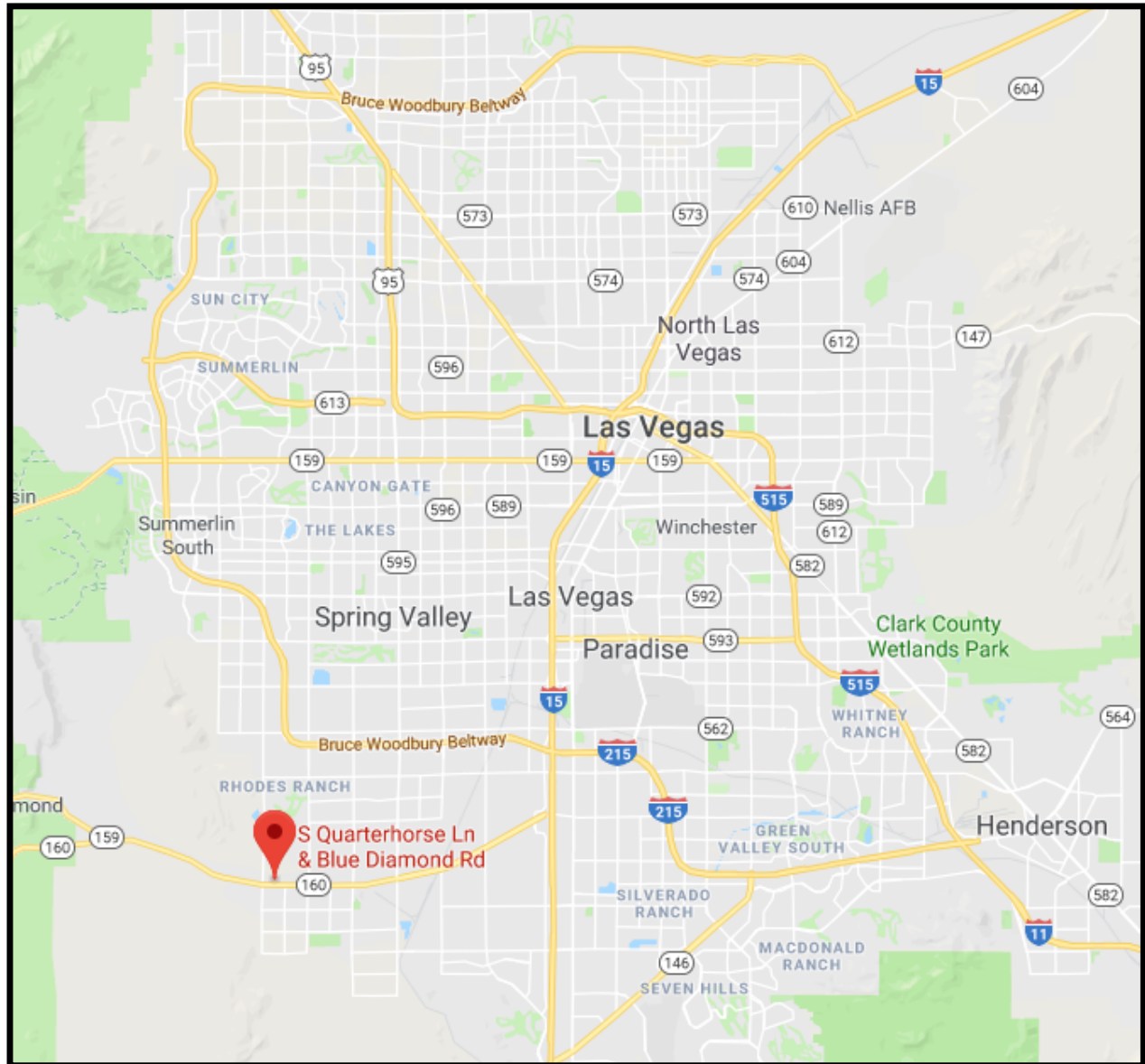
The site is located within zip code 89178, which is a HUD Small Area Difficult Development Area (SADDA) in 2019, qualifying Blue Diamond Senior Apartments for a 130% boost in tax credit eligible basis. The SADDA is a new initiative by HUD, began in 2016, providing additional incentives for the creation of affordable housing in middle to upper income zip codes. (The household income in the immediate vicinity of the proposed Blue Diamond Senior Apartments is about 96.99% of AMI.) Combined with the proposed NHD GAHP financing, these two important financing innovations will allow for a new generation of bond-financed, new construction multi-family development in Southern Nevada. The estimated total development cost is \$36.647 million, or about \$187,936 per unit.

Blue Diamond Senior Apartments is well-positioned to close its financing by April 1, 2020. The developer requested and applied for bonding capacity from the City of Las Vegas on May 31, 2019. The project was awarded \$1.5 million in 2019 HUD HOME funds from Clark County in April of 2019. The proposed development had its first neighborhood meeting on February 25, 2019. The development went before the Town Board in Enterprise, Nevada on May 1, 2019, the Planning Commission on May 21, 2019, and the Board of County Commissioners on August 20, 2019.

Blue Diamond Senior Apartments will close and start construction in April 2020, with construction completion by October 2021 and conversion in October 2022.

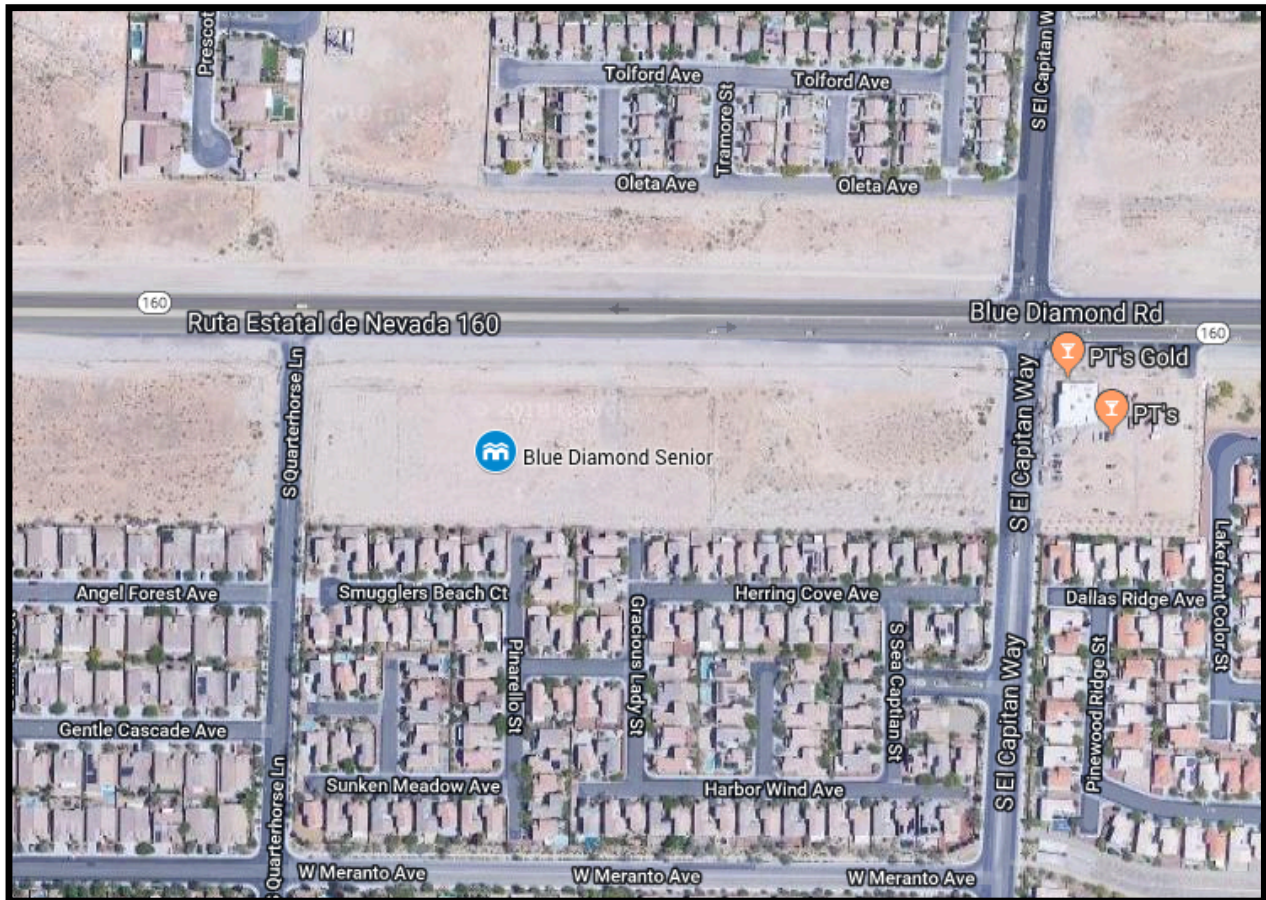
Blue Diamond Senior Apartments
Blue Diamond Road and South Quarterhorse Lane
Las Vegas, NV 89178
APNs: 176-20-201-011 and 012 (4.59 acres)

Location Map



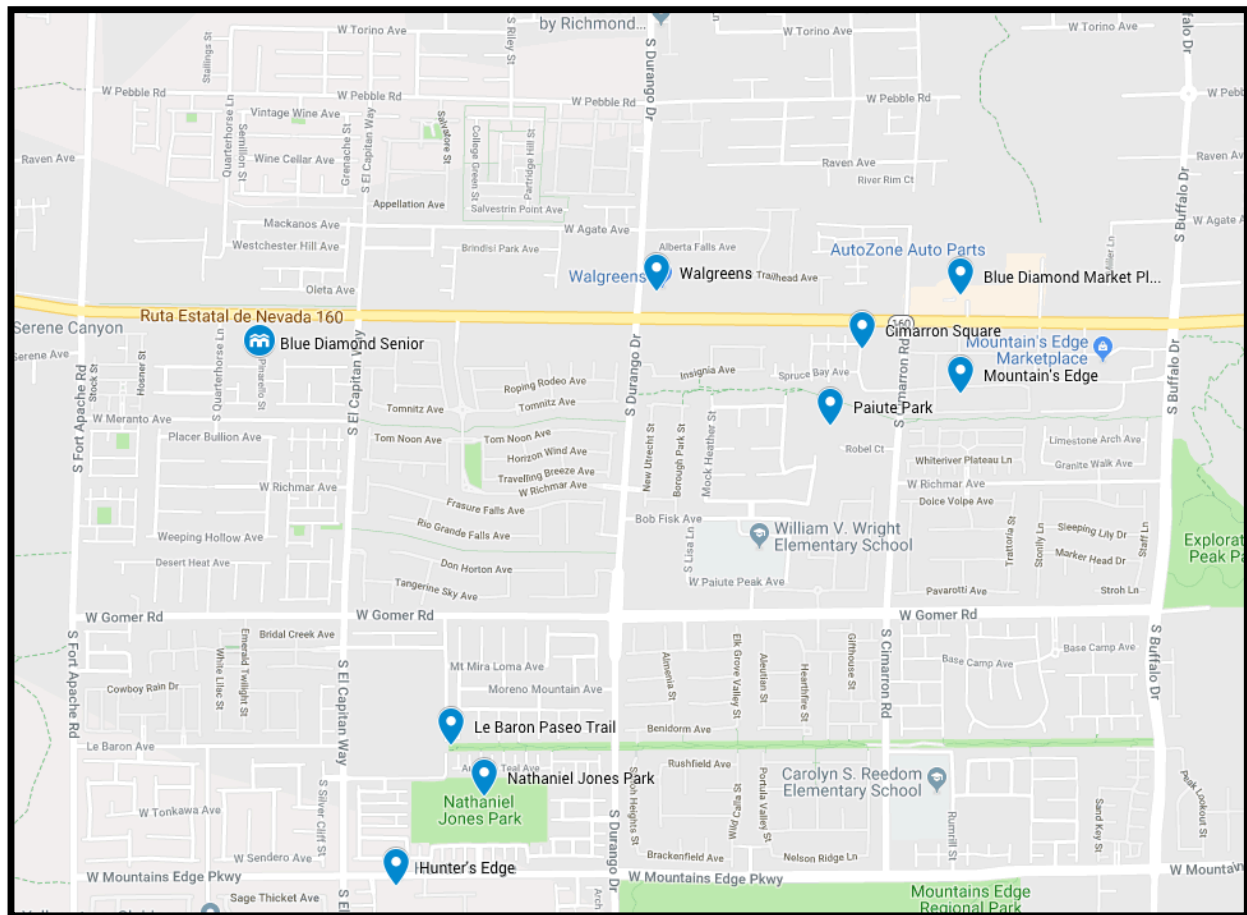
Blue Diamond Senior Apartments
Blue Diamond Road and South Quarterhorse Lane
Las Vegas, NV 89178
APNs: 176-20-201-011 and 012 (4.59 acres)

Aerial Photo



Blue Diamond Senior Apartments
Blue Diamond Road and South Quarterhorse Lane
Las Vegas, NV 89178
APNs: 176-20-201-011 and 012 (4.59 acres)

Snapshot Amenities Map



\$25,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2019
(Blue Diamond Seniors Apartments)

Bond/Loan Term Sheet

Borrowing Entity:	Blue Diamond Seniors LLC, comprised of Ovation Affordable Housing, Inc. (general partner) and Wells Fargo Community Lending & Investment (limited partner).
Lender:	Citibank, N.A.
Principal Amount:	<u>Construction Phase:</u> Not to exceed \$25,000,000 <u>Permanent Phase:</u> -Not to exceed 90% loan to value based on final appraisal. -Expected to be approximately \$15,345,000
Bond/Loan Type:	<p>This transaction will be a loan provided by the Lender to Nevada Housing Division to be used to fund a tax-exempt construction note which will convert to a permanent loan following construction completion and satisfaction of loan conversion criteria.</p> <p>The loan rate will be variable during the Construction Phase and fixed during Permanent Phase. The fixed rate will go into effect upon conversion to the Permanent Phase. The Permanent Phase rate will be locked at Closing.</p>
Bond/Loan Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur approximately 36 months following Closing.
Principal Payments:	Monthly, commencing at conversion to Permanent Phase
Denominations:	During the Permanent Phase the loan will amortize in equal monthly "loan" form with fractional dollar principal amortization.
Interest Rate:	<u>Construction Phase:</u> Variable, adjusted monthly @ 30-day LIBOR plus 2.00% (estimated at 8/28/19 to be approximately 4.42% including Division & Trustee fees) <u>Permanent Phase:</u> Fixed rate to be locked at Closing @ 18-year LIBOR swap rate plus 1.95% (estimated at 8/28/19 to be approximately 3.79% including Division and Trustee fees).

Maturity:	35 years (based on final underwriting) from date of conversion to permanent loan.
Debt Service Coverage:	1.15x NOI/Debt Service
Redemption:	<p>1) Prepayment without penalty during the Construction Phase unless the loan is reduced to less than the Permanent Phase Loan Amount in which case the Borrower is subject to a yield maintenance penalty on the amount below the Permanent Phase Loan Amount.</p> <p>2) Prepayment during the Permanent Phase is subject to a yield maintenance penalty.</p> <p>3) Citibank will require repayment of the loan in full 18 years from date of Closing.</p>
Indenture Funds:	<p>1) Project Fund</p> <p style="padding-left: 40px;">a) Note Proceeds Account</p> <p style="padding-left: 40px;">b) Borrower Equity Account</p> <p>2) Closing Costs Fund</p> <p>3) Expense Fund</p> <p>4) Rebate Fund</p>
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p> <p>3) Lender Origination Fee @ 1.00% of the Maximum Loan Amount</p>
Rating:	Not rated

Borrower Financing Representation

Proposed Project: Blue Diamond Seniors Apartments

To facilitate review and approval of financing by the Nevada State Board of Finance for the proposed project the sponsor/borrower should demonstrate it has evaluated reasonable alternative financing providers/programs. Select Option A and provide the requested information. Should the sponsor/borrower prefer not to provide, or be unable to provide, information requested in Option A, select Option B.

A narrative discussion of the rationale for selection of your proposed lender would be helpful and can be provided in the Sponsor/Borrower Statement section. This would be particularly useful should you select Option B.

☐ **Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>

☒ **Option B**

The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above-named project.


Sponsor/Borrower Statement:

"Citi's terms were very competitive. Citi was the only lender willing to offer 40-year amortization and their spreads are much lower than any other lender we have spoken to, including Barings, Boston Capital and Freddie and Fannie Mae products. They agreed to keep their spreads low despite the fact that the market moved since they sent out their term sheet. Lastly, because of the relationship they will be more flexible in locking the rate a couple of months early which could be valuable if rates start moving next year before we close."

By

Title

Firm


Secretary-Vice President of Manager of Manager
Blue Diamond Seniors, LLC



State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

**Multi-Unit Housing Revenue Bonds
Sanctuary Senior Apartments**

In accordance with the requirements of NRS 319.190, 319.260 and 319.270, and based upon the memorandum of support, the Administrator of the Nevada Housing Division finds that:

1. There exists a shortage of decent, safe and sanitary housing at rental rates that eligible seniors can afford within the Reno, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will expand the supply and improve the quality of decent, safe and sanitary rental housing for eligible seniors.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Reno, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

BY: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE: September 13, 2019

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the Multi-Unit Housing Revenue Bonds (Sanctuary Senior Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Tuesday, October 8, 2019, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (Sanctuary Senior Apartments).

C. The Findings relate to the issuance of up to \$27,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for construction of a 208-unit senior apartment complex in Washoe County located at Gentry Way and Yori Avenue in Reno, NV (the Project).

D. The Housing Division will issue up to \$27,000,000 of multi-unit housing revenue bonds which will be structured in two phases, Construction Phase and Permanent Phase. The Construction Phase loan amount will be approximately \$26,800,000. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. At conversion to Permanent Phase the loan will be reduced to an approximate permanent amount of \$16,550,000 using tax credit equity installments, and will commence monthly principal amortization with a 35-year term. The bond issuance will also satisfy the Internal Revenue Code Section 42 Low-Income Housing requirement that tax-exempt debt in an amount at least equal to 50% of the tax credit depreciable basis be outstanding through the date until a project is “placed in service.” The construction and permanent debt will be placed directly with Citibank and neither will be publicly offered. The Project borrower/developer will be a limited partnership (Vintage at the Sanctuary, LP) which will consist of Vintage at the Sanctuary, LLC as General Partner and Aegon USA Realty Advisors, LLC as limited partner. Aegon USA Realty Advisors, LLC will be the equity investor member and will provide approximately \$13,800,000 of equity through the purchase of 4% low income

housing tax credits. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this new construction housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (Sanctuary Senior Apartments)."

G. Attorney Opinion:

The Findings of Fact of the Administrator of the Housing Division have been reviewed by the Housing Division's Legal Counsel; and assuming the factual matter stated therein is accurate, and except for the bond issue cash flow analyses and other financial and statistical data included therein as to which no opinion is expressed, the findings comply with the requirements of NRS 319.190, 319.260 and 319.270.

September 9, 2019

Steve Aichroth
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(Sanctuary Seniors Apartments) Series 2019

Mr. Aichroth:

This Review and Opinion is provided in support of the pending request by the Nevada Housing Division to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Sanctuary Seniors Apartments project ("Project") and authorization for issuance of up to \$27,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund construction of new affordable senior housing in Reno, Nevada.

PFM Financial Advisors LLC (PFM) has reviewed the Application and related material submitted to the Division for financing of the Project. In the course of our review we have interviewed the borrower, borrower's consultant, representatives of the proposed lender and have reviewed the lender financing term sheet and equity investor letter of intent. We have also discussed the Project and proposed funding plan with Division staff and legal counsel.

The proposed financing is a type which has previously been used for numerous Division conduit multifamily projects and has also been used extensively for conduit financings by other state housing finance agencies. The financing is reviewed in greater detail in Exhibit B. The proposed Project is viewed positively in the local community as evidenced by the endorsement from the Washoe County HOME Consortium. This tax-exempt financing by the Division is essential under Federal law in order to qualify the Project for 4% Low Income Housing Tax Credits without which construction of this affordable housing for seniors at the proposed restricted income levels would not be possible without significant additional subsidy.

In our opinion, the Project meets the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Final debt issuance is to be subject to receipt of final loan and equity approval and definitive loan, bond and tax documentation.

The following exhibits are included with this memorandum. Exhibits A-C were prepared by PFM. Exhibit D was submitted by the Borrower and is included in its entirety.

Exhibit A: A summary of the project and development team.

Exhibit B: The proposed funding plan.

Exhibit C: Proforma Project revenues, expenses and debt service coverage.

Exhibit D: Borrower Project detailed narrative

Sincerely,

PFM Financial Advisors LLC



Fred Eoff
Director

EXHIBIT A

PROJECT AND BORROWER TEAM

Project and Borrower Team

Summary of the Proposed Project:

The Project will be new construction of a 208-unit senior housing project on a site of approximately 2.7 acres in the City of Reno located at Gentry Way and Yori Avenue. The Project will consist of 3 studio and 205 one-bedroom units in a single building.

The Project will provide a design and amenities meeting the needs of seniors and those with disabilities. Kitchens will be provided in all units. Bathrooms will be large and accessible to meet the needs of residents with disabilities. Other property amenities will include a multi-purpose community room featuring a piano, fireplace, large community kitchen and covered veranda. There will be a fitness facility, arts and crafts work area, business center and library, and a cinema room with movie theatre seating. Sanctuary Apartments will be a secure gated property.

All residential units in the Project will be restricted for tenants with incomes ranging at or below 50% or 60% of area median income (AMI). Details of the rent set-aside plan are provided in Table A.

Table A: Project Unit & Rent Profile						
Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Allowable Monthly Rent	Less Utility Allowance	Net Monthly Rent
Affordable Units:						
Studio - Senior	<50%	1	460	\$683	\$57	\$626
Studio - Senior	<60%	2	460	\$820	\$57	\$763
1 Bdrm - Senior	<50%	4	556	\$732	\$62	\$670
1 Bdrm - Senior	<60%	201	556	\$879	\$62	\$817
Total Affordable		208				
Total Project Units		208				

Project Sponsor:

Vintage Housing Development
369 San Miguel Drive, Suite 135
Newport Beach, CA 92660

Project Co-Developers:

Greenstreet Companies
1 E. First Street, Suite 1400
Reno, NV 89501

Vintage Housing Development
369 San Miguel Drive, Suite 135
Newport Beach, CA 92660

The Project is being sponsored and developed by Greenstreet Companies and Vintage Housing Development. Vintage Housing has developed 40 affordable housing properties totaling 8,101 units in Nevada, California and Washington. Greenstreet Companies has developed 35 affordable housing properties in Nevada and California totally 7,521 units.

The Borrower Entity:

The borrower/ownership entity will be a limited partnership (Vintage at the Sanctuary, LP) which is comprised of Vintage at the Sanctuary Partners, LLC as the 0.01% General Partner and Aegon USA Realty Advisors, LLC as the 99.99% Limited Partner (tax credit investor). Vintage Housing Development and Greenstreet Companies will have a Development Services Agreement with the borrower/owner partnership. Aegon will be providing an equity investment of approximately \$13,800,000 in exchange for 4% low income housing tax credits to be allocated for the Project. A detailed graphic description of the borrower entity and its components is provided herein on Page A-4

Project General Contractor:

Mountain West Builders, Inc.
5250 S. Virginia Street
Reno, NV 89502

Property Management:

FPI Management
800 Iron Point Road
Folsom, CA 95630

**Sanctuary Senior
Apartments**

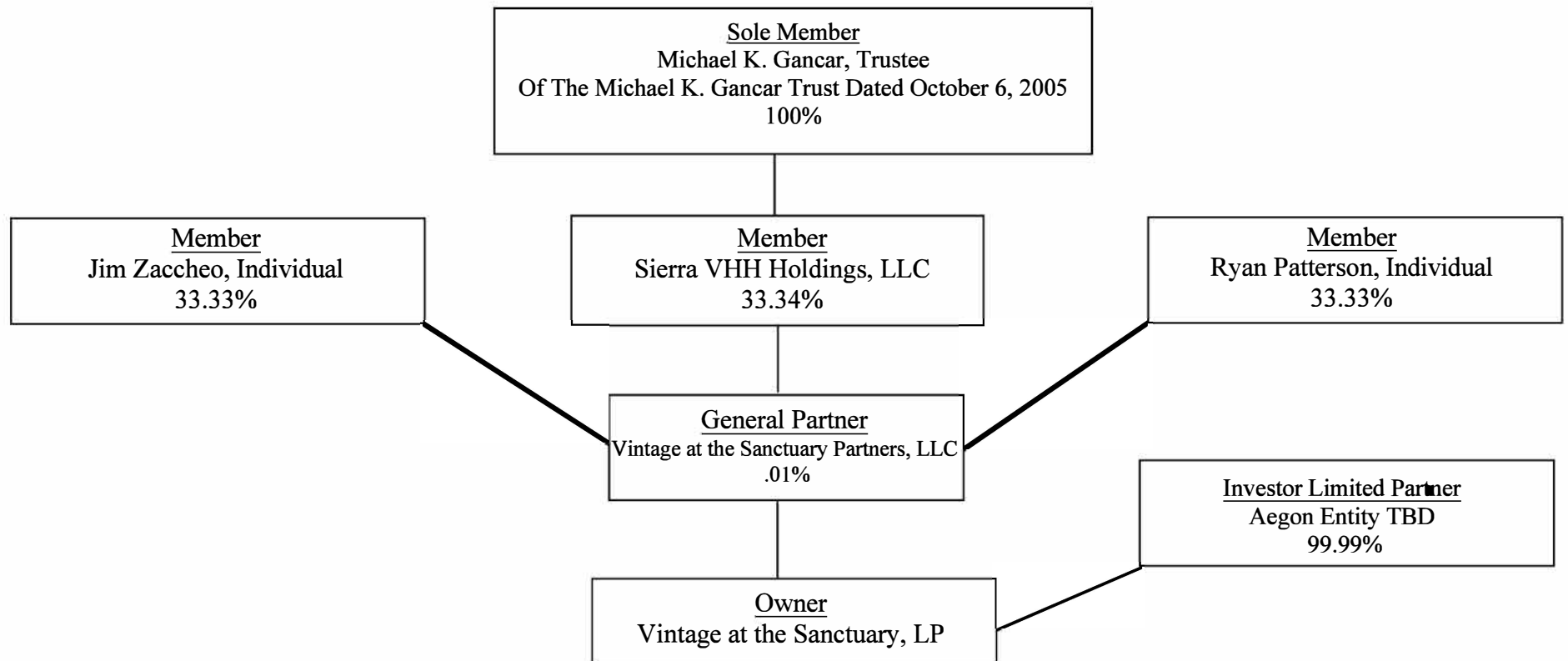


EXHIBIT B

PROJECT FINANCE PLAN

Project Finance Plan

Borrower Discussion Regarding Finance Plan:

The Division has requested the Borrower provide any comments they wish to add regarding their rationale for selection of the lender and type of financing they propose for the Project. The Borrower's response is provided below:

Vintage is active in the market with over \$500 million in transactions in the last 3 years. We are active obtaining debt proposals from most lenders in the market for each deal either directly or indirectly through its partnership with Kennedy Wilson. These lenders include:

Bank of America, Wells, FANNIE, Freddie, US Bank, HUD, JP Morgan, and some smaller lenders.

We have consistently chosen Citi as our lenders based on economic and post-closing service.

Economically - Citi offers a construction to permanent loan product that no other lender can offer. This decreases legal, loan fees, and closing issues for the transaction. The costs savings can vary but exceed 125 BP per deal.

On all other deal terms including rate, forward rate lock, term, they match or exceed the market as well.

On post-closing and flexibility they are the best player in the market. They have a long history and deep understanding of affordable housing. Because they are the bond buyer they have substantially more flexibility to change terms or allow for issues to be fixed on the construction process should they arise.

*Ryan Patterson
Managing Director-Originations*

Summary of the Financing:

The financing is proposed as a direct bond purchase by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. Proceeds of the Division bonds will be used to originate a loan to the Borrower by Citibank. The debt plan consists of two phases, Construction Phase and Permanent Phase.

The Construction Phase loan amount is projected to be approximately \$26,800,000. Loan proceeds will be advanced to the Borrower on a "draw down" basis as needed to fund construction expenditures. Monthly debt service during the construction period will be interest only. The interest rate on the lender loan will be set by formula (30-Day Libor plus 1.90%). PFM estimates the core rate to be 3.97% (as of 9/9/19), and to be 4.27% when adjusted for Division and Trustee annual costs. The lender will require an interest reserve sufficient to provide a 1% cushion for increased rates during the construction period.

The Permanent Phase loan amount is projected to decrease to approximately \$16,550,000 following completion of construction and receipt of the final equity installment. The Permanent Loan will be paid monthly utilizing a 35-year principal amortization factor. The interest rate on the permanent lender loan will be set by formula (18-year LIBOR swap index plus 1.90%). PFM estimates the core permanent rate to be 3.44% (as of 9/9/19), and 3.74% when adjusted for Division and Trustee annual costs. The permanent loan interest rate will be fixed and locked at Closing.

Citibank reserves the option to require prepayment of the loan in full at the end of the 18th year following closing.

Maximum Permanent Loan-to-Value: 90%, (subject to unit rents discounted to 10% below market)

Alternative Maximum Permanent Loan-to-Value: 85%

Debt service coverage: 1.15 to 1.00 per lender requirement

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year. Minimum required replacement reserve deposits may be adjusted based on a new physical needs assessment acceptable to Citibank which will be required for each successive five-year period until loan maturity.

The Borrower will also be required to fund an Operating Reserve in the approximate amount of \$457,256.

Sources and Uses:

Sources of Funds		
	Construction Phase	Permanent Phase
Bond Amount	\$26,668,343	\$16,550,000
LHTC Equity	2,069,076	13,793,840
City of Reno HOME Loan	840,000	850,000
NHD GAHP Loan	3,000,000	3,000,000
Cash Flow Prior to Conversion	1,173,213	1,273,612
Deferred Development Fee		4,187,722
	\$33,750,632	\$39,655,174
Uses of Funds		
Land Cost	\$1,000,000	\$1,000,000
Construction Hard Costs	23,200,001	23,200,001
Soft Costs	8,315,631	8,589,883
Contingencies	1,235,000	1,235,000
Operating Reserve		457,256
Development Fee		5,173,035
	\$33,750,632	\$39,655,175

EXHIBIT C

PROJECT OPERATING PROFORMA

Project Operating Proforma

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Income										
Annual Gross Rental Income	\$2,152,754	\$2,195,809	\$2,239,725	\$2,284,520	\$2,330,210	\$2,376,814	\$2,424,350	\$2,472,837	\$2,522,294	\$2,572,740
Other: Ancillary Revenue	126,836	129,372	131,960	134,599	137,291	140,037	142,837	145,694	148,608	151,580
Total Residential Income	\$2,279,589	\$2,325,181	\$2,371,685	\$2,419,119	\$2,467,501	\$2,516,851	\$2,567,188	\$2,618,532	\$2,670,902	\$2,724,320
Less: Residential Vacancy	(113,979)	(116,259)	(118,584)	(120,956)	(123,375)	(125,843)	(128,359)	(130,927)	(133,545)	(136,216)
Effective Gross Income	\$2,165,610	\$2,208,922	\$2,253,101	\$2,298,163	\$2,344,126	\$2,391,008	\$2,438,829	\$2,487,605	\$2,537,357	\$2,588,104
Adjusted Effective Gross Income	1,839,642									
Expenses										
General Administrative	\$173,044	\$178,236	\$183,583	\$189,090	\$194,763	\$200,606	\$206,624	\$212,823	\$219,207	\$225,783
Operating & Maintenance	342,024	352,284	362,853	373,738	384,951	396,499	408,394	420,646	433,265	446,263
Payroll	277,228	285,545	294,111	302,935	312,023	321,383	331,025	340,956	351,184	361,720
Property Management	68,388	69,755	71,151	72,574	74,025	75,506	77,016	78,556	80,127	81,730
Replacement Reserves	64,715	66,656	68,656	70,716	72,837	75,022	77,273	79,591	81,979	84,438
Total Operating Expenses	\$925,399	\$952,477	\$980,353	\$1,009,053	\$1,038,598	\$1,069,016	\$1,100,331	\$1,132,571	\$1,165,763	\$1,199,934
Adjusted Operating Expenses	\$835,239									
Net Operating Income	\$1,004,403	\$1,256,445	\$1,272,747	\$1,289,110	\$1,305,527	\$1,321,992	\$1,338,497	\$1,355,034	\$1,371,594	\$1,388,170
Cashflow Contributed to Project										
Senior Debt Service		\$565,766	\$848,649	\$848,649	\$848,649	\$848,649	\$848,649	\$848,649	\$848,649	\$848,649
Debt Service Coverage		222%	150%	152%	154%	156%	158%	160%	162%	164%
Residual Receipts	\$1,004,403	\$690,680	\$424,099	\$440,461	\$456,879	\$473,344	\$489,848	\$506,385	\$522,946	\$539,521
LP Asset Mgt Fee	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129
DDF Payments	998,939	685,052	418,302	434,491	450,730	467,010	483,325	249,873	0	0
DDF Balance	3,188,783	2,503,730	2,085,428	1,650,937	1,200,207	733,198	249,873	0	0	0
Surplus Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$249,793	\$516,025	\$532,392
Partnership Surplus Allocation (30%)	0	0	0	0	0	0	0	74,938	154,807	159,718
NHD Surplus Allocation (70%)	0	0	0	0	0	0	0	174,855	361,217	372,675
GAHP Loan Interest	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
GAHP Loan Principal	0	0	0	0	0	0	0	174,855	361,217	372,675
GAHP Loan Balance	\$3,270,000	\$3,360,000	\$3,450,000	\$3,540,000	\$3,630,000	\$3,720,000	\$3,810,000	\$3,725,145	\$3,453,928	\$3,171,253

Project Operating Proforma

	2032	2033	2034	2035	2036	2037	2038
Income							
Annual Gross Rental Income	\$2,624,195	\$2,676,679	\$2,730,212	\$2,784,817	\$2,840,513	\$2,897,323	\$2,955,270
Other: Ancillary Revenue	154,612	157,704	160,858	164,075	167,357	170,704	174,118
Total Residential Income	\$2,778,807	\$2,834,383	\$2,891,071	\$2,948,892	\$3,007,870	\$3,068,027	\$3,129,388
Less: Residential Vacancy	(138,940)	(141,719)	(144,554)	(147,445)	(150,393)	(153,401)	(156,469)
Effective Gross Income	\$2,639,866	\$2,692,664	\$2,746,517	\$2,801,447	\$2,857,476	\$2,914,626	\$2,972,918
Adjusted Effective Gross Income							
Expenses							
General Administrative	\$232,557	\$239,534	\$246,720	\$254,121	\$261,745	\$269,597	\$277,685
Operating & Maintenance	459,651	473,441	487,644	502,273	517,341	532,862	548,847
Payroll	372,571	383,749	395,261	407,119	419,332	431,912	444,870
Property Management	83,364	85,031	86,732	88,467	90,236	92,041	93,882
Replacement Reserves	86,972	89,581	92,268	95,036	97,887	100,824	103,849
Total Operating Expenses	\$1,235,115	\$1,271,335	\$1,308,625	\$1,347,016	\$1,386,542	\$1,427,236	\$1,469,133
Adjusted Operating Expenses							
Net Operating Income	\$1,404,751	\$1,421,329	\$1,437,892	\$1,454,431	\$1,470,934	\$1,487,390	\$1,503,786
Cashflow Contributed to Project							
Senior Debt Service	\$848,649	\$848,649	\$848,649	\$848,649	\$848,649	\$848,649	\$848,649
Debt Service Coverage	166%	167%	169%	171%	173%	175%	177%
Residual Receipts	\$556,103	\$572,680	\$589,244	\$605,783	\$622,286	\$638,741	\$655,137
LP Asset Mgt Fee	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768
DDF Payments	0	0	0	0	0	0	0
DDF Balance	0	0	0	0	0	0	0
Surplus Cash	\$548,760	\$565,117	\$581,454	\$597,759	\$614,022	\$630,229	\$646,370
Partnership Surplus Allocation (30%)	164,628	169,535	174,436	179,328	184,206	189,069	193,911
NHD Surplus Allocation (70%)	384,132	395,582	407,018	418,431	429,815	441,160	452,459
GAHP Loan Interest	90,000	90,000	90,000	90,000	90,000	90,000	90,000
GAHP Loan Principal	384,132	395,582	407,018	418,431	429,815	441,160	452,459
GAHP Loan Balance	\$2,877,121	\$2,571,539	\$2,254,521	\$1,926,090	\$1,586,275	\$1,235,115	\$872,656

EXHIBIT D

ADDITIONAL PROJECT DETAIL

Sanctuary Senior Apartments
301 Gentry Way, Reno, NV 89502
APN # 020-191-16, 020-191-17 (2.74 acres)

Project Description

Sanctuary Senior Apartments entails the new construction of 208 affordable housing units in central Reno. The four-story development will provide state-of-the-art, energy efficient units and high-quality lifestyle, full of social interaction and stimulating indoor and outdoor activities at a price affordable to seniors with incomes at or below 60% of AMI. Every aspect of the building, floor plans, community facilities, outdoor spaces, on-site services, as well as this ideal location, is designed to specifically address the housing needs of lower-income senior citizens in Northern Nevada.

Property Description

Sanctuary Senior Apartments will consist of three studio/one-bathroom hybrid units (approximately 460 SF) and 205 one-bedroom/one-bathroom units (ranging from 552-595 SF) in a four-story building. The studio hybrid unit design has a separate sleeping area from the main living area. The building's exterior will incorporate a modern design that will complement the surrounding area. There will be two elevators to provide service to each floor and all common areas will all be accessed via wide interior hallways. The building will be very similar in style and design to our newly completed Vintage at the Crossings in South Reno. (see <https://www.vintageatthecrossings.com>).

Unit amenities will include interior designs that meet the needs of seniors and those with disabilities. Kitchens will include a new oven, microwave, refrigerator, garbage disposal, dishwasher, as well as ample pantry storage. All bathrooms will be large and accessible to meet the needs of residents with disabilities, additionally, a majority of the units will have accessible showers. Washers and dryers will be included in each unit. Finishes include wood cabinetry, Formica countertops, and vinyl flooring in the kitchen, entry, dining area, bathroom and laundry. The living and bedrooms will be carpeted with low ply durable carpeting.

Property amenities include a multi-purpose community room featuring a piano, fireplace, large community kitchen and covered veranda. There will be a fitness facility, including a large screen TV, cardio equipment, weights and group exercise equipment. There will also be an arts and crafts space with large work areas, a sink, and art supply storage. Additionally, there will be an onsite business center and library as well as a cinema room with movie theater seating, a large screen and surround sound system. Sanctuary Senior Apartments will be a secure gated property. Benches will be strategically placed on the walking path that will link the entire site together and provide residents access to the pet zone, community barbeque area, and the large community garden area where planting beds and irrigation will allow residents to create their own seasonal gardens and grow and nurture their own fruits, vegetables and flowers.

Location and Neighborhood

The proposed development is well located on a 2.74-acre parcel at the corner of Gentry Way and Yori Avenue, east of South Virginia Street and north of Moana Lane. The site is currently a parking lot for Lithia motors. The two vacant buildings occupying the site will be demolished to make way for the proposed development.

The central Reno location provides easy access to amenities, services, and local businesses. Within walking distance there are several locally-owned, small businesses that include a salon, two grocery/convenience markets, and several specialty auto part stores. A substantial number of large employers and big-box retailers are located within a half mile from the proposed development. For example, residents will have access to a Walgreens, several fast-food restaurants, Rounds Bakery, a WestStar Credit Union, Umpqua Bank, a dentist, and several home furnishing and outdoor equipment stores.

The Reno Town Mall containing a Food Source grocery store, a Wells Fargo bank, Burlington Coat Factory, a library, Nevada Job Connect, and other retailers and restaurants is just over 1 mile from the site.

Multiple RTC Bus Routes are within walking distance of the site, making it convenient for residents to access all of Northern Nevada's amenities and facilities, medical care, shopping, etc. These bus routes include the RTC Rapid Virginia line, Route 1, Route 6 and Route 9.

Target Population and Demand

The Apartments will be a senior-restricted development, available to residents age 55 and above. All of the units will be affordable to seniors at or below 60% of area median income (AMI). The project will set aside 5 HOME units at 50% of AMI.

The income mix is as follows:

<u>%AMI</u>	<u>Units</u>
Studio/Eff.	
<50% AMI	1
<60% AMI	2
1 Bedroom / 1 Bath	
<50% AMI	4
<60% AMI	201
Total	<hr/> 208

Sanctuary Senior will serve a growing need in the Truckee Meadows for barrier-free and affordable supportive senior housing. As a result of the improved economy and the entry of new industries and thousands of new residents, Northern Nevada has been experiencing an extreme affordable housing crisis. According to the Nevada Housing Division's 2018 Annual Affordable Apartment Survey, the supply of affordable senior units in Washoe County was extremely tight with responding properties reporting a vacancy rate of 1.8% for one-bedroom units and 2.8% for

two-bedroom units. The Johnson Perkins Griffin 2nd-Quarter 2018 Apartment Survey reports similar dire demand in the overall multi-family rental market, with average vacancies at a near all-time low of 1.58% and vacancies for 1-bedroom and 2-bedroom units at 1.86% and 1.25%, respectively. The Survey notes: “Although several projects are under construction, supply within the major apartment projects in the region is expected to remain extremely tight over the coming year. Vacancies are expected to remain extremely low, and rental rates should continue to show increases.”

The proposed rents at Sanctuary Senior Apartments will be significantly below market rents in Washoe County. The proposed contract rents for studio/hybrid units will range from \$626 to \$763 per month and the 1-bedroom rents will range from \$670 to \$817 per month. Based upon the May 2019 market study for Sanctuary Senior Apartments prepared by Johnson Perkins Griffin study, the market rents for comparable units would be \$925 for a studio and \$975 for a 1-bedroom unit.

Resident Activities

The on-site staff at the Sanctuary Senior Apartments will organize regular activities for our residents. On any typical week, the following activities will be offered to our residents at little or no cost: exercise classes, yoga, stretching, arts and crafts, computer training, movie and special events in the cinema, barbeques, cooking classes, pot lucks and Wii. The monthly calendar will include regular game times, a schedule for when residents can take part in games and tournaments such as bingo, chess, checkers, Sudoku, puzzles, and a multitude of different card games. Finally, the resident services staff will bring in 3rd-party professionals to help our residents in the following supportive areas: healthy lifestyle choices, nutritional education, positive relationships, financial education, insurance choices, and computer training.

Development Team

Reno-based Greenstreet Companies and the principals of Vintage Housing, Michael Gancar and Ryan Patterson, are the developers of Sanctuary Senior Apartments. Together, the principals of Greenstreet Companies and Vintage Housing have financed and built over 15,000 residential units of market rate and affordable multifamily housing, with over 3,000 units in the Reno-Sparks Area.

Nevada housing developments include:

- Silver Creek Apartments, Reno (1998), 376 units – market rate apartments (condominium conversion)
- Boulder Creek Apartments, Sparks (1999), 250 units - family affordable apartments
- Portofino, Henderson (2000), 205 units – senior affordable apartments
- Villas at D’Andrea (2001), 256 units – market rate apartments
- CitiVista Senior Apartments, Reno (2001), 152 units – senior affordable apartments
- Diamond Creek Apartments, Reno (2001), 288 units – family affordable apartments
- The Bluffs, Reno (2003), 300 units - family affordable apartments
- Triana Apartment Homes, Reno (2003), 175 units – market rate condominiums
- Vintage at Seven Hills, Henderson (2004) 244 units - senior affordable apartments
- Waterstone Apartment Homes, Reno (2004), 203 units – market rate apartments

- Fallen Leaf Apartment Homes, Reno (2005), 245 units – market rate condominiums
- Caviata Apartment Homes, Reno (2005), 184 units – market rate apartments
- Vintage at Laughlin (2007) 150 units - senior affordable apartments
- Vista Creek Apartments, Laughlin (2007) 300 units - family affordable apartments
- Vintage at the Crossings, Reno (2018), 230 units – senior affordable apartments
- Steamboat at the Summit, Reno (under construction), 360 units – family affordable apartments
- Sky Mountain Apartments, Reno (under construction), 288 units- family affordable housing

Property Management

Sanctuary Senior Apartments will be managed by FPI Property Management. This Folsom-based company started in 1968 and today is one of the largest full-service property management companies in the United States. FPI has 80,000 units in its portfolio including thousands of units of senior affordable housing. FPI manages a large portfolio of multifamily units in Northern Nevada including all of the above listed affordable housing projects developed by Greenstreet and Vintage Housing. FPI staff manages the property onsite with its own personnel. All employees go through a rigorous FPI training program and have years of experience in managing affordable senior living communities. More about FPI can be found on their website:

www.fpimgt.com.

General Contractor

Locally owned and operated Mountain West Builders is the General Contractor. The principals of Mountain West have over 25 years of building housing in Northern Nevada and are exclusively building apartments and hotels in this region. With the very tight employment Northern Nevada is experiencing, Mountain West brings a long history of critical multifamily subcontractor relationships to the projects design and construction. Mountain West also has experience in affordable housing and the unique Nevada Housing Division energy requirements as well as bond and tax credit reporting requirements. Mountain West is the general contractor on prior projects including the Steamboat Apartments and Sky Mountain Apartments.

Development Finance

Greenstreet Companies and Vintage Housing receive consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund-raising and public policy development. Since 2005, Praxis has secured the financing for almost 60 affordable housing developments in Nevada, totaling over 6,000 units and \$1.0 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

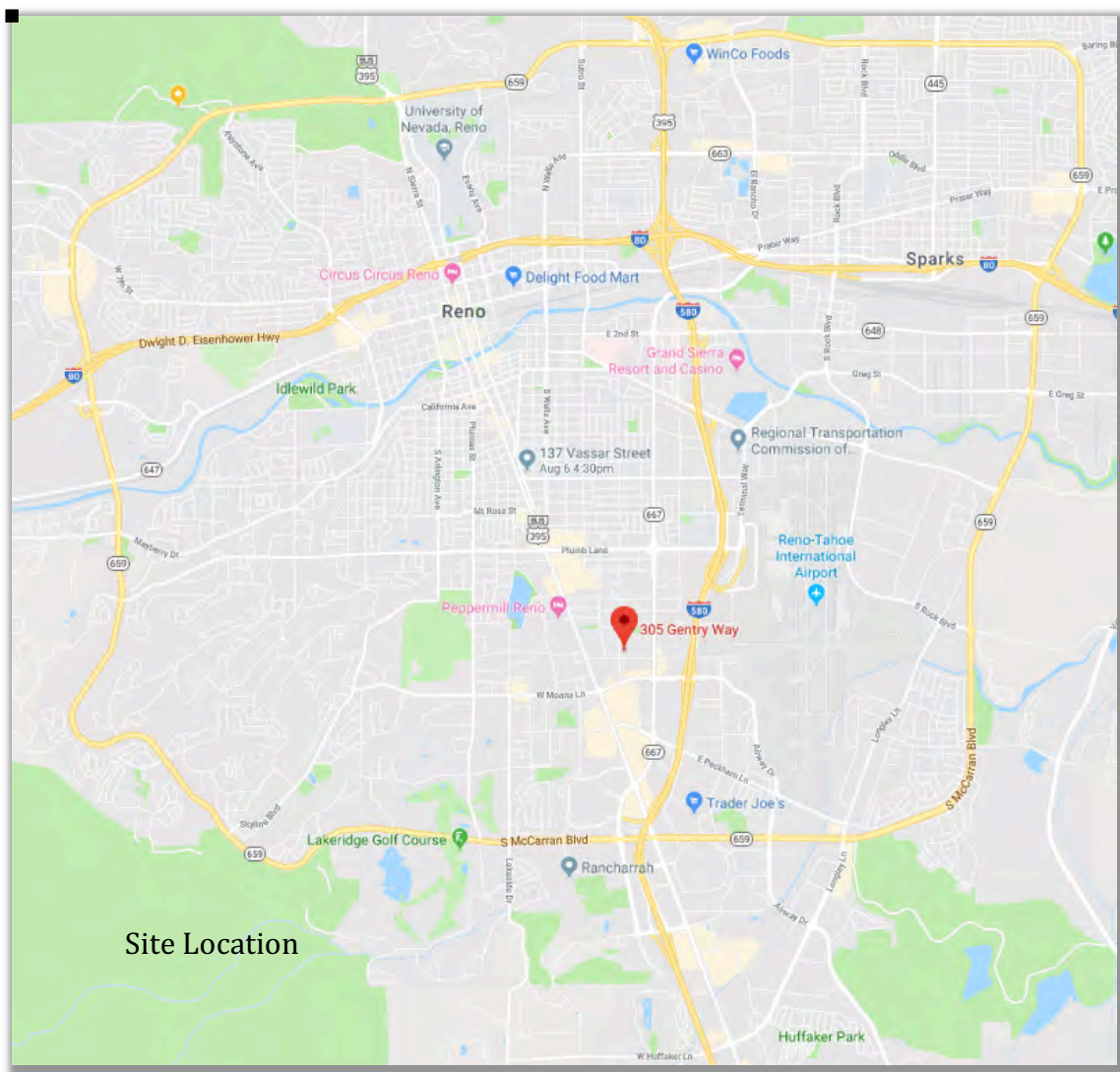
Financing and Schedule

The financing for Sanctuary Senior Apartments will include tax-exempt bonds issued by the Nevada Housing Division (NHD) and purchased direct by Citibank, equity from the sale of 4% Low Income Housing Tax Credits, NHD Growing Affordable Housing Program, and HOME funds from the Washoe County HOME Consortium.

The site is located in Census Tract 9.0, a HUD Qualified Census Tract, qualifying Sanctuary Apartments for a 30% increase in tax credits. The estimated total development cost is \$39.65 million, or approximately \$190,649 per unit. The Sanctuary Senior Apartments is projected to close in April 2020, with construction completion by October 2021, and conversion by April 2023.

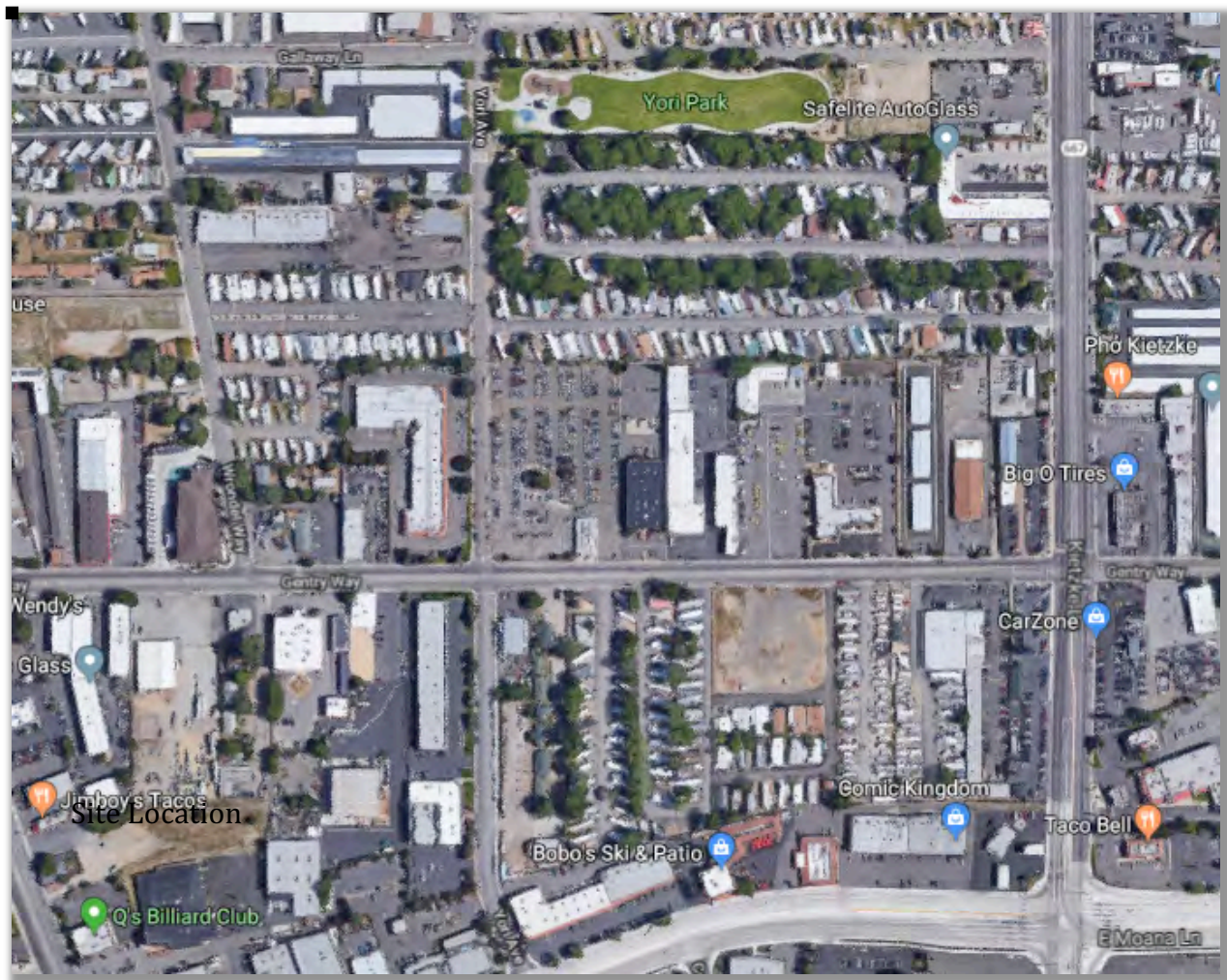
**Sanctuary Senior Apartments
By Greenstreet**
301 Gentry Way, Reno, NV 89502
APN # 020-191-16, 020-191-17 (2.74 acres)

Location Map



**Sanctuary Senior Apartments
By Greenstreet**
301 Gentry Way, Reno, NV 89502
APN # 020-191-16, 020-191-17 (2.74 acres)

Aerial Map



Sanctuary Senior Apartments
By Greenstreet
 301 Gentry Way, Reno, NV 89502
 APN # 020-191-16, 020-191-17 (2.74 acres)

Site Plan



**Sanctuary Senior Apartments
By Greenstreet**
301 Gentry Way, Reno, NV 89502
APN # 020-191-16, 020-191-17 (2.74 acres)

Elevations



\$27,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2019
(Sanctuary Seniors Apartments)

Bond/Loan Term Sheet

Borrowing Entity:	Vintage at the Sanctuary, L.P., a limited partnership comprised of Vintage at Sanctuary Partners, LLC (general partner) and Aegon USA Realty Advisors, LLC (limited partner).
Lender:	Citibank, N.A.
Principal Amount:	<u>Construction Phase:</u> Not to exceed \$27,000,000 <u>Permanent Phase:</u> -Not to exceed 90% loan to value based on final appraisal. -Expected to be approximately \$16,550,000
Bond/Loan Type:	<p>This transaction will be a loan provided by the Lender to Nevada Housing Division to be used to fund a tax-exempt construction note which will convert to a permanent loan following construction completion and satisfaction of loan conversion criteria.</p> <p>The loan rate will be variable during the Construction Phase and fixed during Permanent Phase. The fixed rate will go into effect upon conversion to the Permanent Phase. The Permanent Phase rate will be locked at Closing.</p>
Bond/Loan Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur approximately 30 months following Closing.
Principal Payments:	Monthly, commencing at conversion to Permanent Phase
Denominations:	During the Permanent Phase the loan will amortize in equal monthly "loan" form with fractional dollar principal amortization.
Interest Rate:	<u>Construction Phase:</u> Variable, adjusted monthly @ 30-day LIBOR plus 1.90% (estimated at 9/9/19 to be approximately 4.27% including Division & Trustee fees) <u>Permanent Phase:</u> Fixed rate to be locked at Closing @ 18-year LIBOR swap rate plus 1.90% (estimated at 9/9/19 to be approximately 3.74% including Division and Trustee fees).

Maturity:	30 or 35 years (based on final underwriting) from date of conversion to permanent loan.
Debt Service Coverage:	1.15x NOI/Debt Service
Redemption:	<p>1) Prepayment without penalty during the Construction Phase unless the loan is reduced to less than the Permanent Phase Loan Amount in which case the Borrower is subject to a yield maintenance penalty on the amount below the Permanent Phase Loan Amount.</p> <p>2) Prepayment during the Permanent Phase is subject to a yield maintenance penalty.</p> <p>3) Citibank will require repayment of the loan in full 18 years from date of Closing.</p>
Indenture Funds:	<p>1) Project Fund</p> <p style="padding-left: 40px;">a) Note Proceeds Account</p> <p style="padding-left: 40px;">b) Borrower Equity Account</p> <p>2) Closing Costs Fund</p> <p>3) Expense Fund</p> <p>4) Rebate Fund</p>
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p> <p>3) Lender Origination Fee @ 1.00% of the Maximum Loan Amount</p>
Rating:	Not rated

Borrower Financing Representation

Proposed Project: Sanctuary Seniors Apartments

To facilitate review and approval of financing by the Nevada State Board of Finance for the proposed project the sponsor/borrower should demonstrate it has evaluated reasonable alternative financing providers/programs. Select Option A and provide the requested information. Should the sponsor/borrower prefer not to provide, or be unable to provide, information requested in Option A, select Option B.

A narrative discussion of the rationale for selection of your proposed lender would be helpful and can be provided in the Sponsor/Borrower Statement section. This would be particularly useful should you select Option B.

☐ **Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>

☒ **Option B**

The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above-named project.

Sponsor/Borrower Statement:

Vintage is active in the market with over \$500 million in transactions in the last 3 years. We are active obtaining debt proposals from most lenders in the market for each deal either directly or indirectly through its partnership with Kennedy Wilson. These lenders include:

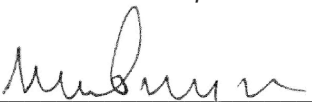
Bank of America, Wells, FANNIE, Freddie, US Bank, HUD, JP Morgan, and some smaller lenders.

We have consistently chosen Citi as our lenders based on economic and post-closing service.

Economically - Citi offers a construction to permanent loan product that no other lender can offer. This decreases legal, loan fees, and closing issues for the transaction. The costs savings can vary but exceed 125 BP per deal.

On all other deal terms including rate, forward rate lock, term, they match or exceed the market as well.

On post-closing and flexibility they are the best player in the market. They have a long history and deep understanding of affordable housing. Because they are the bond buyer they have substantially more flexibility to change terms or allow for issues to be fixed on the construction process should they arise.

By  _____

Title Manager

Firm Vintage Housing Holdings, LLC



State of Nevada

DEPARTMENT OF BUSINESS & INDUSTRY

Housing Division

FINDINGS OF FACT

**Multi-Unit Housing Revenue Bonds
Vintage at Seven Hills Apartments**

In accordance with the requirements of NRS 319.190, 319.260 and 319.270, and based upon the memorandum of support, the Administrator of the Nevada Housing Division finds that:

1. There exists a shortage of decent, safe and sanitary housing at rental rates that eligible seniors can afford within the Henderson, Nevada rental housing markets, as determined by the Administrator.
2. Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary rental housing in such housing market areas at rental rates, which seniors of low and moderate income can afford.
3. The proposed multifamily project will preserve the supply and improve the quality of decent, safe and sanitary rental housing for eligible families.
4. The rental housing to be assisted by the Housing Division pursuant to the provisions of NRS and NAC Chapter 319 will be for public use and will provide a material public benefit to Henderson, Nevada.
5. The Housing Division's estimates of revenues to be derived from the mortgage made under the proposed project, together with all bond proceeds, all subsidies, grants or other financial assistance and guarantees issued from other entities to be received in connection with the bond financing, will be sufficient to pay the amount

estimated by the Housing Division as necessary for debt service on the bonds issued for the financing of the proposed project.

BY: _____
Steve Aichroth
Administrator
Nevada Housing Division

DATE: _____

State of Nevada
DEPARTMENT OF BUSINESS & INDUSTRY
Housing Division
1830 E. College Parkway, Suite 200
Carson City, NV 89706

DATE: September 13, 2019

TO: State Board of Finance

AGENDA ITEM: Approval of the Findings of Fact of the Administrator of the Nevada Housing Division concerning the Multi-Unit Housing Revenue Bonds (Vintage at Seven Hills Senior Apartments)

PETITIONER: Steve Aichroth – Administrator, Nevada Housing Division

A. Time and Place of Meeting:

1:00 p.m., Tuesday, October 8, 2019, at the at the Old Assembly Chambers of the Capitol Building, 101 N. Carson Street, Carson City, Nevada 89701.

B. Matter to be reviewed: The Findings of Fact (Findings) of the Administrator of the Housing Division concerning the Multi-Unit Housing Revenue Bonds (Vintage at Seven Hills Senior Apartments).

C. The Findings relate to the issuance of up to \$24,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for acquisition and rehabilitation of a 244-unit senior apartment complex in Clark County located at Saint Rose Parkway and Seven Hills Drive in Henderson, NV (the Project).

D. The Housing Division will issue up to \$24,000,000 of multi-unit housing revenue bonds which will be structured in two phases, Construction Phase and Permanent Phase. The Construction Phase loan amount will be approximately \$29,300,000 of which \$24,000,000 will be funded by Division bond Proceeds. Loan proceeds will be advanced to the Borrower on a “draw down” basis as needed to fund construction expenditures. At conversion to Permanent Phase the loan will be reduced to an approximate permanent amount of \$23,100,000 using tax credit equity installments, and will commence monthly principal amortization with a 35-year term. The bond issuance will also satisfy the Internal Revenue Code Section 42 Low-Income Housing requirement that tax-exempt debt in an amount at least equal to 50% of the tax credit depreciable basis be outstanding through the date until a project is “placed in service.” The construction and permanent debt will be placed directly with Citibank and neither will be publicly offered. The Project borrower/developer will be a limited partnership which will consist of Vintage at Seven Hills Partners, LLC as General Partner and Aegon USA Realty Advisors, LLC as Limited Partner. Aegon USA Realty Advisors, LLC

will be the equity investor and will provide approximately \$12,941,000 of equity through the purchase of 4% low income housing tax credits. The proposed private placement financing structure is in compliance with NRS and NAC Chapters 319 (Nevada Housing Finance Law).

E. Background of Agenda Item:

The Project borrower/developer, in concert with the Housing Division's financial team and bond counsel, has prepared the necessary documents to implement this acquisition rehabilitation housing project. Further, the project, as proposed, complies with the intent and purpose of Nevada Housing Finance Law. Also, the program and bond documents prepared will comply with the Internal Revenue Code of 1986 (United States Code Title 26), as amended.

F. Staff Recommendation:

The Administrator of the Housing Division, in consultation with the financial and lending professionals of the Housing Division, recommends approval of the Findings, to the Board of Finance, for the issuance by the Nevada Housing Division of an issue of bonds known as "Multi-Unit Housing Revenue Bonds (Vintage at Seven Hills Senior Apartments)."

G. Attorney Opinion:

The Findings of Fact of the Administrator of the Housing Division have been reviewed by the Housing Division's Legal Counsel; and assuming the factual matter stated therein is accurate, and except for the bond issue cash flow analyses and other financial and statistical data included therein as to which no opinion is expressed, the findings comply with the requirements of NRS 319.190, 319.260 and 319.270.

September 10, 2019

Steve Aichroth
Administrator
Nevada Housing Division
1830 College Parkway, Suite 200
Carson City, NV 89706

Re: Multi-Unit Housing Revenue Bonds
(Vintage at Seven Hills Senior Apartments) Series 2019

Mr. Aichroth:

This Review and Opinion is provided in support of the pending request by the Nevada Housing Division to the State of Nevada Board of Finance for approval of the Findings of Fact regarding the Vintage at Seven Hills Senior Apartments project ("Project") and authorization for issuance of up to \$24,000,000 of Nevada Housing Division multi-unit housing revenue bonds to fund the rehabilitation of affordable family housing in Henderson, Nevada.

PFM Financial Advisors LLC (PFM) has reviewed the Application and related material submitted to the Division for financing of the Project. In the course of our review we have interviewed the borrower, representatives of the proposed lender and have reviewed the lender financing term sheet and equity investor letter of intent. We have also discussed the Project and proposed funding plan with Division staff and legal counsel.

The proposed financing is a type which has previously been used for numerous Division conduit multifamily projects and has also been used extensively by other national housing finance agencies. The financing is reviewed in greater detail in Exhibit B. The proposed Project is viewed positively in the local community as evidenced by the endorsement from the City of Henderson. This tax-exempt financing by the Division is essential under Federal law in order to qualify the Project for 4% Low Income Housing Tax Credits without which renovation of this affordable housing at the proposed restricted income levels would not be possible without significant additional subsidy.

In our opinion, the Project meets the requirements of NRS 319.260 and NAC 319.712, and we recommend it for submittal to the Board of Finance for approval. Final debt issuance is to be subject to receipt of final loan and equity approval and definitive loan, bond and tax documentation.

The following exhibits A-C were prepared by PFM. Exhibit D was provided by the Borrower and is included in its entirety.

Exhibit A: A summary of the project and development team.
Exhibit B: The proposed funding plan.
Exhibit C: Proforma Project revenues, expenses and debt service coverage.
Exhibit D: Project detailed narrative

Sincerely,

PFM Financial Advisors LLC



Fred Eoff
Director

EXHIBIT A

PROJECT AND BORROWER TEAM

Project and Borrower Team

Summary of the Proposed Project:

The Project will be the rehabilitation of a 244-unit senior housing project on a site of approximately 11.0 acres in the City of Henderson located at the intersection of Saint Rose Parkway and Seven Hills Drive. The Project consists of 244 senior rental housing units in 8 residential buildings and 1 single-story clubhouse with pool and spa.

Residential units in the Project are restricted for tenants with incomes ranging at or below 30% - 60% of area median income (AMI). Details of the rent set-aside plan are provided in Table A. A more detailed discussion of the property and renovation plan are contained in Exhibit D.

Table A: Project Unit & Rent Profile						
Unit Mix	AMI Restriction	Number Units	Unit Size (SF)	Allowable Monthly Rent	Less Utility Allowance	Net Monthly Rent
Affordable Units:						
1 Bdrm - Senior	<30%	3	548	\$392	\$54	\$338
1 Bdrm - Senior	<40%	2	548	\$523	\$54	\$469
1 Bdrm - Senior	<50%	2	548	\$653	\$54	\$599
1 Bdrm - Senior	<60%	63	548	\$784	\$54	\$730
2 Bdrm - Senior	<30%	2	713	\$471	\$71	\$400
2 Bdrm - Senior	<40%	0	713	\$628	\$71	\$557
2 Bdrm - Senior	<50%	15	713	\$785	\$71	\$714
2 Bdrm - Senior	<60%	157	713	\$942	\$71	\$871
Total Affordable		244				
Total Project Units		244				

Project Sponsor:

Vintage Housing Development
369 San Miguel Drive, Suite 135
Newport Beach, CA 92660

Vintage Housing has developed over 15,000 market rate and affordable housing units in Nevada, California and Washington.

Rehabilitation General Contractor:

Precision General Commercial Contractors, Inc.
300 Turney Street, 2nd Floor
Sausalito, CA 94965

Precision Commercial is a national construction company focusing on the rehabilitation and new construction of multi-family real estate. They have completed in excess of 47,500 units of multi-family housing.

Property Management:

Upon completion of renovation the Project will continue to be managed by FPI Property Management. FPI is one of the largest full-service property management companies in the United States with over 80,000 units in its portfolio.

The Borrower Entity:

The borrower/ownership entity will be Vintage at Seven Hills, L.P., a limited partnership consisting of Vintage at Seven Hills Partners, LLC as 0.01% General Partner and Aegon USA Realty Advisors, LLC. (“Aegon”) as the 99.99% limited partner. Aegon will provide an equity investment of approximately \$12,941,000 in exchange for 4% low income housing tax credits to be allocated for the Project.

EXHIBIT B

PROJECT FINANCE PLAN

Project Finance Plan

Borrower Discussion Regarding Finance Plan:

The Division has requested the Borrower provide any comments they wish to add regarding their rationale for selection of the lender and type of financing they propose for the Project. The Borrower's response is provided below:

Vintage is active in the market with over \$500 million in transactions in the last 3 years. We are active obtaining debt proposals from most lenders in the market for each deal either directly or indirectly through its partnership with Kennedy Wilson. These lenders include:

Bank of America, Wells, FANNIE, Freddie, US Bank, HUD, JP Morgan, and some smaller lenders.

We have consistently chosen Citi as our lenders based on economic and post-closing service.

Economically - Citi offers a construction to permanent loan product that no other lender can offer. This decreases legal, loan fees, and closing issues for the transaction. The costs savings can vary but exceed 125 BP per deal.

On all other deal terms including rate, forward rate lock, term, they match or exceed the market as well.

On post-closing and flexibility they are the best player in the market. They have a long history and deep understanding of affordable housing. Because they are the bond buyer they have substantially more flexibility to change terms or allow for issues to be fixed on the construction process should they arise.

*Ryan Patterson
Managing Director-Originations*

Summary of the Financing:

The financing is proposed as a direct bond purchase by Citibank N.A. The bonds will be held by Citibank or an affiliate and not sold to the public. Proceeds of the Division bonds will be used to originate a loan to the Borrower by Citibank. The debt plan consists of two phases, Construction Phase and Permanent Phase.

The Construction Phase loan amount is projected to be approximately \$29,300,000, of which \$24,000,000 will be funded by Division bond proceeds. Loan proceeds will be advanced to the Borrower on a "draw down" basis as needed to fund construction expenditures. Monthly debt service during the construction period will be interest only. The interest rate on the lender loan will be set by formula (30-Day Libor plus 2.00%). PFM estimates the core rate to be 4.07% (as of 9/9/19), and to be 4.37% when adjusted for Division and Trustee annual costs. The lender will require an interest reserve sufficient to provide a 1% cushion for increased rates during the construction period.

The Permanent Phase loan amount is projected to decrease to approximately \$23,100,000 following completion of construction and receipt of the final equity installment. The Permanent Loan will be paid monthly utilizing a 35-year principal amortization factor. The interest rate on the permanent lender loan will be set by formula (18-year LIBOR swap index plus 2.10%). PFM estimates the core permanent rate to be 3.64% (as of 9/9/19), and 3.94% when adjusted for Division and Trustee annual costs. The permanent loan interest rate will be fixed and locked at Closing.

Citibank reserves the option to require prepayment of the loan in full at the end of the 18th year following closing.

Maximum Permanent Loan-to-Value: 90%, (subject to unit rents discounted to 10% below market)

Alternative Maximum Permanent Loan-to-Value: 85%

Debt service coverage: 1.15 to 1.00 per lender requirement

Reserves:

The Borrower will be required to fund deposits to a replacement reserve initially set at \$250/unit/year. Minimum required replacement reserve deposits may be adjusted based on a new physical needs assessment acceptable to Citibank which will be required for each successive five-year period until loan maturity.

The Borrower will also be required to fund an Operating Reserve in the approximate amount of \$515,000.

Sources and Uses:

Sources of Funds		
	Construction Phase	Permanent Phase
Bond Proceeds	\$24,000,000	\$23,100,000
Construction Period Loan	5,267,635	
LIHTC Equity	1,941,115	12,940,768
City of Henderson HOME Loan	655,447	655,447
Seller Carry Back Note	4,600,000	4,600,000
Predevelopment Loan	252,250	
Cash Flow Prior to Conversion	2,226,390	2,226,390
Deferred Development Fee		2,165,115
	\$38,942,837	\$45,687,720
Uses of Funds		
Land Cost	\$3,000,000	\$3,000,000
Existing Structures	23,000,000	23,000,000
Construction Hard Costs	8,890,000	8,890,000
Soft Costs	3,465,837	3,745,719
Contingencies	587,000	587,000
Operating Reserve		515,000
Development Fee		5,950,000
	\$38,942,837	\$45,687,719

EXHIBIT C

PROJECT OPERATING PROFORMA

**Vintage at Seven Hills
Project Operating Proforma**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Income										
Annual Gross Rental Income	\$2,464,462	\$2,513,751	\$2,564,026	\$2,615,307	\$2,667,613	\$2,720,965	\$2,775,385	\$2,830,892	\$2,887,510	\$2,945,260
Other: Ancillary Revenue	58,148	59,311	60,497	61,707	62,941	64,200	65,484	66,794	68,130	69,492
Total Residential Income	\$2,522,610	\$2,573,062	\$2,624,523	\$2,677,014	\$2,730,554	\$2,785,165	\$2,840,869	\$2,897,686	\$2,955,640	\$3,014,752
Less: Residential Vacancy	(126,131)	(128,653)	(131,226)	(133,851)	(136,528)	(139,258)	(142,043)	(144,884)	(147,782)	(150,738)
Effective Gross Income	\$2,396,480	\$2,444,409	\$2,493,297	\$2,543,163	\$2,594,027	\$2,645,907	\$2,698,825	\$2,752,802	\$2,807,858	\$2,864,015
Adjusted Effective Gross Income	\$2,291,876									
Expenses										
General Administrative	\$136,304	\$140,394	\$144,605	\$148,944	\$153,412	\$158,014	\$162,755	\$167,637	\$172,666	\$177,846
Operating & Maintenance	348,612	359,070	369,842	380,937	392,366	404,137	416,261	428,748	441,611	454,859
Payroll	285,102	293,655	302,465	311,539	320,885	330,511	340,427	350,640	361,159	371,993
Property Management	0	77,192	78,736	80,310	81,917	83,555	85,226	86,931	88,669	90,443
Replacement Reserves	30,500	64,715	66,656	68,656	70,716	72,837	75,022	77,273	79,591	81,979
Total Operating Expenses	\$800,518	\$935,026	\$962,304	\$990,386	\$1,019,295	\$1,049,054	\$1,079,690	\$1,111,229	\$1,143,696	\$1,177,121
Adjusted Operating Expenses	\$907,782									
Net Operating Income	\$1,384,094	\$1,509,384	\$1,530,993	\$1,552,777	\$1,574,732	\$1,596,853	\$1,619,135	\$1,641,573	\$1,664,161	\$1,686,894
Cashflow Contributed to Project	\$756,763									
Senior Debt Service	\$608,708	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415
Debt Service Coverage	227%	124%	126%	128%	129%	131%	133%	135%	137%	139%
Residual Receipts	\$18,623	\$291,968	\$313,577	\$335,362	\$357,316	\$379,437	\$401,719	\$424,157	\$446,746	\$469,479
LP Asset Mgt Fee	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921
DDF Payments	13,319	286,505	307,950	329,565	351,346	373,288	395,386	107,757	0	0
DDF Balance	2,151,796	1,865,292	1,557,342	1,227,776	876,430	503,142	107,757	0	0	0
Surplus Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$309,877	\$440,026	\$462,558

**Vintage at Seven Hills
Project Operating Proforma**

	2031	2032	2033	2034	2035	2036	2037	2038
Income								
Annual Gross Rental Income	\$3,004,166	\$3,064,249	\$3,125,534	\$3,188,044	\$3,251,805	\$3,316,841	\$3,383,178	\$3,450,842
Other: Ancillary Revenue	70,882	72,300	73,746	75,221	76,725	78,259	79,825	81,421
Total Residential Income	\$3,075,048	\$3,136,548	\$3,199,279	\$3,263,265	\$3,328,530	\$3,395,101	\$3,463,003	\$3,532,263
Less: Residential Vacancy	(153,752)	(156,827)	(159,964)	(163,163)	(166,427)	(169,755)	(173,150)	(176,613)
Effective Gross Income	\$2,921,295	\$2,979,721	\$3,039,315	\$3,100,102	\$3,162,104	\$3,225,346	\$3,289,853	\$3,355,650
Adjusted Effective Gross Income								
Expenses								
General Administrative	\$183,182	\$188,677	\$194,338	\$200,168	\$206,173	\$212,358	\$218,729	\$225,290
Operating & Maintenance	468,505	482,560	497,037	511,948	527,307	543,126	559,420	576,202
Payroll	383,153	394,648	406,487	418,682	431,242	444,180	457,505	471,230
Property Management	92,251	94,096	95,978	97,898	99,856	101,853	103,890	105,968
Replacement Reserves	84,438	86,972	89,581	92,268	95,036	97,887	100,824	103,849
Total Operating Expenses	\$1,211,530	\$1,246,953	\$1,283,421	\$1,320,964	\$1,359,614	\$1,399,404	\$1,440,367	\$1,482,539
Adjusted Operating Expenses								
Net Operating Income	\$1,709,765	\$1,732,768	\$1,755,895	\$1,779,138	\$1,802,490	\$1,825,942	\$1,849,486	\$1,873,111
Cashflow Contributed to Project								
Senior Debt Service	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415	\$1,217,415
Debt Service Coverage	140%	142%	144%	146%	148%	150%	152%	154%
Residual Receipts	\$492,350	\$515,352	\$538,479	\$561,723	\$585,075	\$608,527	\$632,070	\$655,695
LP Asset Mgt Fee	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768
DDF Payments	0	0	0	0	0	0	0	0
DDF Balance	0	0	0	0	0	0	0	0
Surplus Cash	\$485,221	\$508,010	\$530,916	\$553,933	\$577,051	\$600,263	\$623,558	\$646,928

EXHIBIT D

ADDITIONAL PROJECT DETAIL

Vintage at Seven Hills
845 Seven Hills Drive
Henderson, Nevada 89052
177-35-512-003 (10.99 acres)

Project Description

Vintage at Seven Hills entails the preservation and rehabilitation of an existing tax credit senior property. The development opened in 2004 and consists of 244 units—70 one-bedroom and 174 two-bedroom units—available to seniors with incomes from 30% to 60% of area median income (AMI). The rehabilitation of Vintage at Seven Hills is sponsored by Vintage Housing, whose mission extends beyond the development process to the delivery of enriching programs and residential services that benefit low-income families, seniors and persons with special needs.

The goals of this preservation project include:

- To preserve this important housing asset and extend its useful life under the LIHTC program for another 30 years;
- To bring the building and units up to modern standards including, as needed, cabinets, countertops, lighting, painting, flooring and appliances; and,
- To meet and/or exceed energy conservation requirements as detailed in Section 12 of the 2019 Nevada Housing Division Qualified Allocation Plan, and to lower future utility costs to the residents and the development through new HVAC systems and water heaters.

Property Description

Vintage at Seven Hills opened in 2004 and consists 9 buildings, including 7 one- and two-story buildings, 1 large three-story building, and 1 single-story club house with pool / spa, and maintenance area on a 10.99-acre site southwest of the intersection of Saint Rose Parkway and Seven Hills Drive in Henderson. The property contains 244 residential units with three variations of one-bed and two-bedroom floorplans that are accessed through ground level entrances or common area stairwells. The 70 one-bedroom apartments average 548 square feet and the 174 two-bedroom units range from 713 to 825 square feet.

Property amenities include a community center, meeting room, courtyards, 244 off-street parking spots (151 are covered), and an on-site management office. The single 3-story building is elevator serviced and also has trash chutes for ease of trash disposal. Additionally, Vintage at Seven Hills offers a fitness center, community kitchen, beauty salon, business center, movie theatre, as well as a pool and spa. Security features include key fob access to units and intercom service. Unit amenities include ceiling fans, central A/C & heat, dishwashers, microwaves, large bathrooms, walk-in closets and washer and dryers in each unit. Units also have either a balcony or patio. For an additional monthly fee, tenants can store belongings in one of the property's 82 on-site storage units.

Location and Neighborhood

Vintage at Seven Hills is located in the far southeastern portion of the Greater Las Vegas Valley area in the City of Henderson. The surrounding neighborhood is largely characterized by commercial retail and employment centers with other multi-family developments and single-family homes mainly located south and west of the site. The development is situated immediately behind The Commons at Seven Hills shopping center. The shopping center and the senior housing development share the same driveway and main entrance. This design provides a pedestrian friendly environment, creating a seamless, walkable community that links the Vintage at Seven Hills senior housing development to the many stores, restaurants, and shops at The Commons shopping center.

The Commons at Seven Hills is less than 200 feet from the development's leasing office. At the Commons, residents have easy access to an Anytime Fitness gym, several salons, a 7/11 convenience store, dry cleaning, a mix of eateries, as well as two animal care/ wellness centers. Within a quarter mile (0.25 miles) residents have access to several banks, many fast food restaurants, a post office, the Church Las Vegas, and many specialty medical and clinical offices.

The Dignity Health – St. Rose Dominican Hospital Campus is 1.1 miles from the site and provides cardiology, an emergency department, and oncology. Additionally, several other medical offices and urgent care clinics surround the medical campus.

A large shopping center at the intersection of Eastern Avenue and Coronado Center Drive is 1.2 miles away with tenants that include a Trader Joes, Seafood City Super Market, dental services, as well as a Starbucks, a variety of restaurants, and service retailers. The Silverado Ranch Plaza is 1.6 miles away and features a Target, CVS Pharmacy, Marshalls, Ulta, PetSmart and many other national retailers.

The Regional Transportation Commission of Southern Nevada operates bus route 122 (South Maryland Parkway / Horizon Ridge) with east and westbound stops located less than 0.25 miles from Vintage at Seven Hills, near the intersection of Horizon Ridge Parkway and Seven Hills Drive.

Proposed Development Activities

Vintage at Seven Hills was built in 2004 and is in generally good condition relative to comparable projects in the area. The developers have budgeted approximately \$8.54 million, or about \$35,000 per unit, plus \$250 per unit per year in replacement reserves in order to maintain the property for at least another 30 years.

Rehabilitation will focus on three main areas: building and site exterior, unit upgrades, and energy efficiency. Property improvements will include landscaping upgrades, restriping of parking garage, elevator upgrades, property signage, and new energy efficient property and building exterior lighting.

The common areas and building corridors will feature new lighting, flooring, and windows. Repairs will be made to existing dry wall as needed, new paint applied in all common areas, and ADA upgrades throughout.

Building upgrades will include windows, new central, HVAC systems and hot water heaters. New cool roof shingles, attic insulation, including gutters and down spouts. Repairs will be made to siding, stucco, and exterior paint. Repairs will also inspect and replace identified dry rot.

Unit upgrades will include installation of new cabinets and hardware as needed, including replacement of countertops, in both kitchens and bathrooms as needed. Light fixtures, ceiling fans, low flow plumbing fixtures, flooring, doors, trim, and door hardware will be replaced as needed. New energy efficient appliances including refrigerator, stove, and dishwasher will be installed throughout. Repairs will be made to weatherize doors and waterproof exposed decks and patios. New doors and windows will be installed to improve energy efficiency and lower property expenses. ADA units will receive the same upgrades with features that meet ADA standards.

Target Population

Vintage at Seven Hills is targeted to seniors (age 55 and above) earning between 30% and 60% of area median income (AMI). The proposed income mix is as follows:

<u>%AMI</u>	<u>Units</u>
1 Bedroom / 1 Bath	
<30% AMI	3
<40% AMI	2
<50% AMI	2
<60% AMI	63
2 Bedroom / 1 Bath	
<30% AMI	2
<50% AMI	15
<60% AMI	157
Total	244

The preservation and rehabilitation of the Vintage at Seven Hills development will address the documented need for barrier-free and affordable housing for seniors in the City of Henderson and the Las Vegas Valley.

The City of Henderson 2015-2019 Consolidated Plan identifies both rental housing serving very low-income and extremely low-income households and housing for seniors and persons with special needs as priorities. The plan states: "Housing affordability, specifically for renters, is a problem...Approximately half of the County's renter households are cost-burdened; rents would have to drop significantly to be affordable for most renter households." (page 21)

The Plan goes on to state "The City has worked diligently with the developers to offer our residents affordable active, disabled and senior communities as well as affordable long-term care facilities. The City of Henderson has also designated communities for our senior population that are restricted to individuals age 55 and older. These communities provide peace and comfort to our seniors who no longer want to deal with living in neighborhoods with children or other younger individuals.

These communities are equipped with parks, club houses, workout facilities and pools that can only be utilized by the seniors who live in that community.” (Page 26)

Finally, the Report states: the “City of Henderson continues to look into ways that will benefit our special needs populations. Our elderly population of residents age 65 and older makes up around 12% of our total population. Within our County, the City of Henderson has a slightly older median age than the rest of the County. Programs being considered to assist our aging community by improving affordability and accessibility are possibly providing property tax relief programs for low-income older homeowners, increasing access to retrofit through deferred loans and grant programs, connecting residents to services to help them age in place and avoid hospitalization and/or nursing home care, and continuing our support in developing and maintaining affordable housing options. As with our elderly population, many of our special needs population would greatly benefit from additional affordable housing. The City of Henderson will continue to look for ways to increase our affordable housing stock for our special needs residents as well as our low- to moderate-income residents.” (page 52)

According to the Nevada Housing Division’s “Taking Stock 2018” Annual Affordable Apartment Survey, senior or senior/disabled LIHTC properties had overall average vacancy rates 2.1% lower than family properties (p. 9). In Clark County, vacancy rates for senior units were 1.5% for one bedroom and 2.2% for two-bedroom units (p. 14). These low vacancy rates indicate a severe need for affordable senior housing in Clark County and the surround areas.

Relocation

Renovation will be structured so that there will be minimal disturbances to the current residents. We expect that tenants will be able to stay in their units during the renovations and/or will be offered daytime accommodations while work is being carried out in their unit. The development is currently occupied with qualifying tax credit households, so we anticipate no permanent displacement.

All relocation activities, if any are required, will be conducted in compliance with the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. § 4601 et seq.) and its implementing regulations at 49 CFR 24, as applicable.

Development Team

Vintage Housing, the developer, has financed and built over 15,000 residential units of market rate and affordable multifamily housing, many in the State of Nevada.

Nevada housing developments include:

- Silver Creek Apartments, Reno (1998), 376 units – market rate apartments (condominium conversion)
- Boulder Creek Apartments, Sparks (1999), 250 units - family affordable apartments
- Portofino, Henderson (2000), 205 units – senior affordable apartments
- Villas at D’Andrea (2001), 256 units – market rate apartments
- Citi Vista Senior Apartments, Reno (2001, recapitalized 2019), 152 units – senior affordable apartments

- Diamond Creek Apartments, Reno (2001, recapitalized 2019), 288 units – family affordable apartments
- The Bluffs, Reno (2003, recapitalized 2019), 300 units - family affordable apartments
- Triana Apartment Homes, Reno (2003), 175 units – market rate condominiums
- Vintage at Seven Hills, Henderson (2004) 244 units - senior affordable apartments
- Waterstone Apartment Homes, Reno (2004), 203 units – market rate apartments
- Fallen Leaf Apartment Homes, Reno (2005), 245 units – market rate condominiums
- Caviata Apartment Homes, Reno (2005), 184 units – market rate apartments
- Vintage at Laughlin (2007) 150 units - senior affordable apartments
- Vista Creek Apartments, Laughlin (2007) 300 units - family affordable apartments
- Vintage at the Crossings, Reno (2018), 230 units – senior affordable apartments
- Steamboat by Vintage, Reno (2020), 360 units – family affordable apartments
- Sky Mountain by Vintage, Reno (2020), 288 units – family affordable apartments

Property Management

Vintage at Seven Hills is currently managed by and will remain under FPI Property Management. This Folsom-based company started in 1968 and today is one of the largest full-service property management companies in the United States. FPI has 80,000 units in its portfolio including several thousand units of family and senior affordable housing similar to Vintage. FPI staff manages the property onsite with its own personnel. All employees go through a rigorous FPI training program and typically have years of experience in managing affordable living communities. More about FPI can be found on their website: www.fpimgt.com.

Development Finance

Vintage Housing receives consulting assistance from Praxis Consulting Group, LLC. Formed in 2004, Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Praxis also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund-raising and public policy development. Since 2005, Praxis has secured the financing for almost 60 affordable housing developments in Nevada, totaling over 6,000 units and \$1.0 billion in financing. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4 percent and 9 percent tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

Financing and Schedule

The financing for Vintage at Seven Hills will include tax-exempt bonds issued by the Nevada Housing Division (NHD) and purchased direct by Citibank and equity from the sale of non-competitive 4% Low Income Housing Tax Credits. A Seller's Note will be issued to off-set the difference between the appraised as-is value of the property and the existing debt. The property was previously awarded HOME funds from the City of Henderson, which will be resubordinated under the new financing.

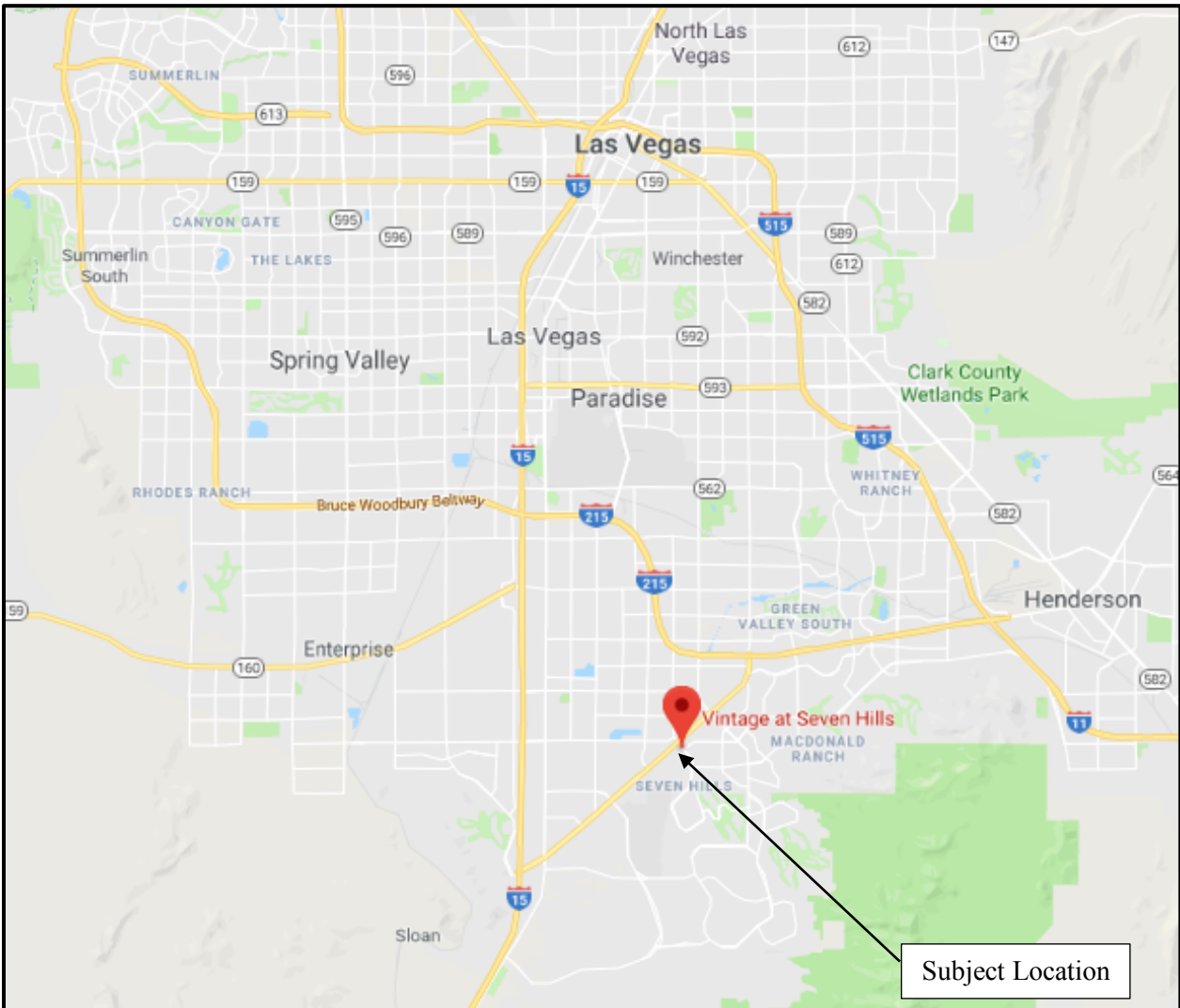
The site is located in zip code 89052, which is a HUD designated Small Area Difficult Development Area (SADDA) in 2019, qualifying Vintage at Seven Hills for a 130% boost in tax credit eligible basis.

The estimated total development cost is \$45.68 million, or approximately \$187,244 per unit, including about \$106,500 per unit in appraised value, much of which will be off-set by a related party Seller's Note.

Vintage at Seven Hills is projected to close in January 2020, with construction completion by January 2021 and conversion in July 2021.

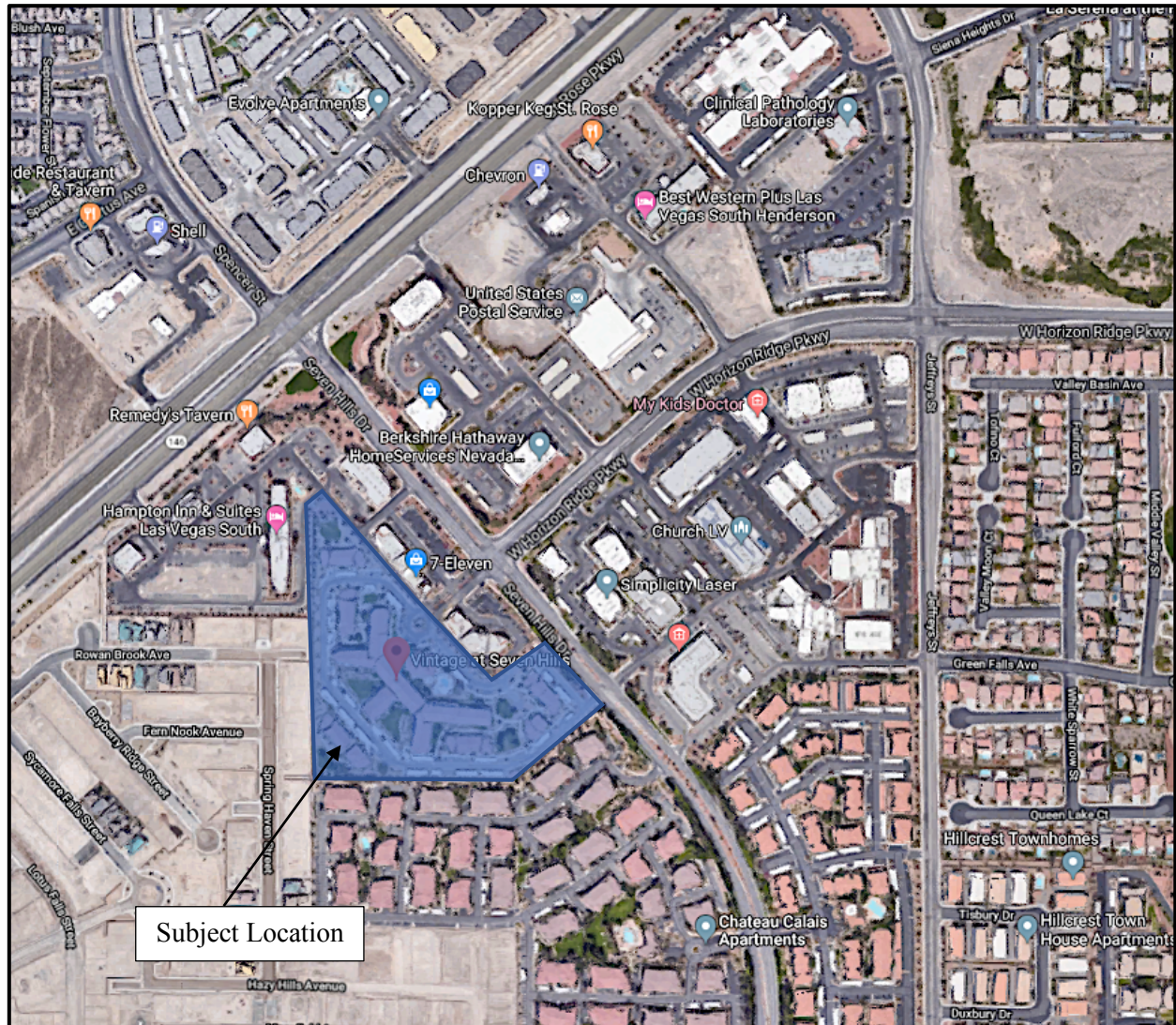
Vintage at Seven Hills
845 Seven Hills Drive
Henderson, Nevada 89052
177-35-512-003 (10.99 acres)

Location Map



Vintage at Seven Hills
845 Seven Hills Drive
Henderson, Nevada 89052
177-35-512-003 (10.99 acres)

Aerial Map



Vintage at Seven Hills
845 Seven Hills Drive
Henderson, Nevada 89052
177-35-512-003 (10.99 acres)

Street View



\$24,000,000
Nevada Housing Division
Multi-Unit Housing Revenue Bonds, Series 2019
(Ridgeview by Vintage Apartments)

Bond/Loan Term Sheet

Borrowing Entity:	Vintage at Seven Hills, L.P., a limited partnership comprised of Vintage at Seven Hills Partners, LLC (general partner) and Aegon USA Realty Advisors, LLC (limited partner).
Lender:	Citibank, N.A.
Principal Amount:	<u>Construction Phase:</u> Not to exceed \$24,000,000 <u>Permanent Phase:</u> -Not to exceed 85% loan to value based on final appraisal. -Expected to be approximately \$23,100,000
Bond/Loan Type:	<p>This transaction will be a loan provided by the Lender to Nevada Housing Division to be used to fund a tax-exempt construction note which will convert to a permanent loan following construction completion and satisfaction of loan conversion criteria.</p> <p>The loan rate will be variable during the Construction Phase and fixed during Permanent Phase. The fixed rate will go into effect upon conversion to the Permanent Phase. The Permanent Phase rate will be locked at Closing.</p>
Bond/Loan Dated:	As of Closing Date
Interest Payments:	Monthly. Loan is interest only through the date of conversion to Permanent Phase which is estimated to occur approximately 30 months following Closing.
Principal Payments:	Monthly, commencing at conversion to Permanent Phase
Denominations:	During the Permanent Phase the loan will amortize in equal monthly "loan" form with fractional dollar principal amortization.
Interest Rate:	<u>Construction Phase:</u> Variable, adjusted monthly @ 30-day LIBOR plus 2.00% (estimated at 9/9/19 to be approximately 4.37% including Division & Trustee fees) <u>Permanent Phase:</u> Fixed rate to be locked at Closing @ 18-year LIBOR swap rate plus 2.10% (estimated at 9/9/19 to be approximately 3.94% including Division and Trustee fees).

Maturity:	30 or 35 years (based on final underwriting) from date of conversion to permanent loan.
Debt Service Coverage:	1.15 NOI/Debt Service
Redemption:	<p>1) Prepayment without penalty during the Construction Phase unless the loan is reduced to less than the Permanent Phase Loan Amount in which case the Borrower is subject to a yield maintenance penalty on the amount below the Permanent Phase Loan Amount.</p> <p>2) Prepayment during the Permanent Phase is subject to a yield maintenance penalty.</p> <p>3) Citibank will require repayment of the loan in full 18 years from date of Closing.</p>
Indenture Funds:	<p>1) Project Fund</p> <p style="padding-left: 40px;">a) Note Proceeds Account</p> <p style="padding-left: 40px;">b) Borrower Equity Account</p> <p>2) Closing Costs Fund</p> <p>3) Expense Fund</p> <p>4) Rebate Fund</p>
Fees:	<p>1) Issuer Annual Fee @ 0.25% (25 bp) paid monthly in advance</p> <p>2) Trustee Annual Fee @ 0.05% (5 bp) paid monthly in advance</p> <p>3) Lender Origination Fee @ 1.00% of the Maximum Loan Amount</p>
Rating:	Not rated

Borrower Financing Representation

Proposed Project: Vintage at Seven Hills Apartments

To facilitate review and approval of financing by the Nevada State Board of Finance for the proposed project the sponsor/borrower should demonstrate it has evaluated reasonable alternative financing providers/programs. Select Option A and provide the requested information. Should the sponsor/borrower prefer not to provide, or be unable to provide, information requested in Option A, select Option B.

A narrative discussion of the rationale for selection of your proposed lender would be helpful and can be provided in the Sponsor/Borrower Statement section. This would be particularly useful should you select Option B.

☐ **Option A**

<u>Lender</u>	<u>Rate</u>	<u>Fees</u>

☒ **Option B**

The sponsor/borrower represents that it has performed what it deems to be reasonable due diligence in evaluating and selecting the lender for the proposed project financing. The sponsor/borrower is experienced in arranging funding for projects of the type proposed and is capable of making an informed determination as to the most suited option available for the above-named project.

Sponsor/Borrower Statement:

Vintage is active in the market with over \$500 million in transactions in the last 3 years. We are active obtaining debt proposals from most lenders in the market for each deal either directly or indirectly through its partnership with Kennedy Wilson. These lenders include:

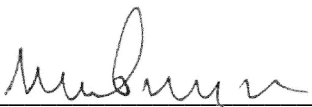
Bank of America, Wells, FANNIE, Freddie, US Bank, HUD, JP Morgan, and some smaller lenders.

We have consistently chosen Citi as our lenders based on economic and post-closing service.

Economically - Citi offers a construction to permanent loan product that no other lender can offer. This decreases legal, loan fees, and closing issues for the transaction. The costs savings can vary but exceed 125 BP per deal.

On all other deal terms including rate, forward rate lock, term, they match or exceed the market as well.

On post-closing and flexibility they are the best player in the market. They have a long history and deep understanding of affordable housing. Because they are the bond buyer they have substantially more flexibility to change terms or allow for issues to be fixed on the construction process should they arise.

By 

Title Manager

Firm Vintage Housing Holdings, LLC