

Zach Conine
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

PUBLIC NOTICE

AGENDA

**ANNUAL MEETING OF THE NEVADA REAL PROPERTY
CORPORATION (NRPC) DIRECTORS**

Thursday, September 14, 2023 at 10:00 a.m.

Locations:

Via Conference call:

Dial in Number: 775-321-6111

Access Code: 152 872 195#

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 possible action to approve:** Reading and approving of the August 15, 2022 NRPC Annual Members' Meeting minutes.

Presenter: Cari Eaton, Secretary of the NRPC

4. **Report of the Secretary of the Corporation**

Presenter: Cari Eaton, Secretary of the NRPC

5. **For possible action to approve:** Presentation on Issuance of Certificates of Participation

- a. For possible action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of a state office building located within the Capitol Complex in Carson City known as Capitol Complex 1.

- b. For possible action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of a facility used as a detention facility for the State Department of Corrections.
- c. For possible action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of nursing/science/education building and a student activities/administration building for Nevada State University (formerly known as Nevada State College).

Presenter: Cari Eaton, Secretary of the NRPC

6. **For possible action to approve:** Unfinished Business
None

7. **For possible action to approve:** New Business
None

8. **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.

9. **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.

NRPC is pleased to make reasonable accommodations for persons with physical disabilities. Please call (775) 684-5600 if assistance is needed.

Itzel Fausto may be contacted at (775) 684-5600 to obtain copies of supporting materials.

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

Agenda Item #3

NRPC Annual Directors' Meeting Draft Minutes

August 15, 2022

NEVADA REAL PROPERTY CORPORATION (NRPC)

Annual Directors' Meeting

Summary Minutes

August 15, 2022

Location:

The meeting was held virtually for all board members and participants via Zoom.

Directors present:

Zach Conine – State Treasurer and NRPC President

Amy Stephenson – Director, Governor's Finance Office

Others present:

Tara Hagan, Chief Deputy Treasurer and NRPC Vice President

Jeff Landerfelt, Deputy Treasurer- Debt and Secretary

Itzel Fausto, State Treasurer's Office

Chairman Conine called the meeting to order at 11:40 a.m., and determined a quorum is present.

Agenda Item 2 – Public Comment

There was no public comment in Carson City or on Zoom.

Agenda Item 3 – For possible action – Reading and approving of the September 23, 2021 NRPC Annual Members' Meeting minutes.

Motion to approve the meeting minutes from Member Stephenson and a second from Treasurer Conine. Motion passed unanimously.

Agenda Item 4– Report of the Secretary of the Company

Treasurer Conine stated that this is the same report presented from the NRPC Member's meeting and therefore skipped the reading of the report.

Motion to approve this agenda item from Member Stephenson and a second from Treasurer Conine. Motion passed unanimously.

Agenda Item 5 – Unfinished business – no discussion

Agenda Item 6 – New business – no discussion

Agenda Item 7 – Public comment

There was no public comment in Carson City or on Zoom.

Meeting adjourned at 11:46 a.m.

Agenda Item #4

NRPC Annual Directors' Meeting

Report of the Secretary of the Corporation



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

ANNUAL MEETING OF THE NEVADA REAL PROPERTY
CORPORATION (NRPC) DIRECTORS

Date: September 14, 2023

Item Number: 4

Title: Report of the Secretary of the Corporation

Summary:

This report is to provide an update on the outstanding securities of current Certificates of Participation (COPs) and an overview of any other information concerning COPs.

Outstanding Securities:

As of August 17, 2023, the NRPC has outstanding COPs for the following four (4) projects:

Project	Series	Original Par Value	Indebtedness as of August 17, 2023	TIC	Maturity
Capitol Complex Building 1 ⁽¹⁾	2013A	\$ 17,740,000	\$ 10,360,000	3.83%	4/1/2031
Casa Grande ⁽¹⁾	2013B	\$ 18,045,000	\$ 9,725,000	3.79%	4/1/2031
LCB Printing Office ⁽²⁾	2016A	\$ 3,730,000	\$ 1,167,000	2.22%	4/1/2026
Nevada State College	2013C	\$ 50,445,000	\$ 42,720,000	4.71%	6/1/2043
Total		\$ 89,960,000	\$ 63,972,000		
⁽¹⁾ Original Series 2004 Issuance refunded by Series 2013 Issuance					
⁽²⁾ Original Series 2006 Issuance refunded by Series 2016 Issuance					

All lease/rent payments owed to the NRPC to date from the State and Nevada System of Higher Education (NSHE) have been received timely and in full.

Additionally, all debt service payments owed to date to the Trustee on behalf of the COP holders from the NRPC have been made on time and paid in full.

Agenda Item #5

NRPC Annual Directors' Meeting

Presentation on Issuance of Certificates of Participation



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

**ANNUAL MEETING OF THE NEVADA REAL PROPERTY
CORPORATION (NRPC) DIRECTORS**

Date: September 14, 2023

Item Number: 5 A-C

Title: Presentation on Issuance of Certificates of Participation

Summary:

At the June 16, 2023 Board of Finance meeting, Agenda Item #9 was presented as an informational item which detailed refunding of the three following Certificates of Participation:

- Series 2013A Capitol Complex Building 1 (CCB1)
- Series 2013B Casa Grande
- Series 2013C Nevada State University (NSU)

The presentation and associated memo, attached for reference as Attachment E, detailed the background of the three Certificates of Participation (COPs), the authority under which they were issued, and the reason the refundings are needed to realize savings. The Board of Finance approved the resolutions for each of the refundings and sale documents as to form at their August 17, 2023 meeting. The NRPC directors are being asked to approve resolution and sale documents as to form at this meeting. The completed sale documents will be presented to the Board of Finance after the sale takes place on October 19th.

Agenda Item #5 concerns the issuance of three different series of COPs to execute the refundings, specifically, the approval of the NRPC resolution assenting to the form of certain documents unique to each refunding series. Approval of the resolutions and the forms must be voted on separately, as agenda sub-items. Under each sub-item, we have provided a brief background of the purpose for which the original COP was issued, the documents to be approved as to form, and the anticipated savings at the October 19th, 2023 sale, summarized below:

Estimated Savings from Refunding Series 2013A, 2013B, and 2013C COPs						
New COP Series	Program	Estimated Refunded Par	Estimated Refunding Par as of 07/31/23	**Est. NPV Savings	**Est. NPV Savings as a % of Refunded Par	Remaining Term (Years)
2023A	CCB1 Refunding Project	\$ 10,360,000	\$ 9,815,000	\$ 399,830	3.859%	8
2023B	Casa Grande Refunding Project	\$ 9,725,000	\$ 9,220,000	\$ 370,368	3.808%	8
2023C	Nevada State University Refunding Project	\$ 42,720,000	\$38,750,000	\$ 3,865,145	9.048%	20
		\$ 62,805,000	\$57,785,000	\$ 4,635,343		

Certificates of Participation are not general obligations of the State. The debt service on the COPs is paid through an annual appropriation by the legislature and therefore not considered a debt of the State under the Constitutional debt limit.

Agenda Item #5(a)-Capitol Complex Building 1 (Bryan Building) Refunding Project

For Possible Action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of a state office building located within the Capitol Complex in Carson City known as Capitol Complex 1.

Background:

In 2004, the Division of Conservation and Natural Resources (DCNR) proposed the construction and use of a five-story office building of approximately 120,000 square feet with associated surface parking, and COPs were issued to finance this project. The COPs were titled “Lease Revenue Certificates of Participation (Capitol Complex Building 1 Project), Series 2004.”

The 2004 Certificates became “callable” in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013A Capitol Complex Building 1 Refunding COPs yielded interest savings of \$2.44 million, or 11.50% of refunded par. The proposed issuance of the Series 2023A Capitol Complex Building 1 Refunding COPs are estimated to yield approximately \$400,000 (3.8% of refunded par) of interest savings over the remaining 8-year term.

Documents to be Approved as to Form:

- NRPC Resolution (Attachment A1)
- Indenture of Trust (Attachment A2)
- Lease Purchase Agreement (Attachment A3)
- Disclosure Dissemination Agreement (Attachment D1)
- Preliminary Official Statement (Attachment D2)

Agenda Item #5(b)-Casa Grande Refunding Project

For Possible Action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of a facility used as a detention facility for the State Department of Corrections.

Background:

In 2004, the Nevada Department of Corrections proposed the construction and use of the Casa Grande Transitional Housing Facility. The Casa Grande project is a re-entry center for non sex offenders who will serve their last four to six months of incarceration in community-based housing provided by the Nevada Department of Corrections (department), a state agency. The project enables the department to provide services to offenders that will help them successfully reintegrate into the community upon their release from custody. The financed improvements included a one-story administrative building, administrative offices, offender food service, training and conference rooms, and counseling offices and a two-story housing for up to 400 residents. The COPs were titled “Lease Revenue Certificates of Participation (Casa Grande Project), Series 2004”.

The 2004 Certificates became “callable” in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013B Casa Grande Refunding COPs yielded interest savings of \$1.73 million, or 8.59% of refunded par. The proposed issuance of the Series 2023B Casa Grande Project Refunding COPs is estimated to yield approximately \$370,000 (3.8% of refunded par) of interest savings over the remaining 8-year term.

Documents to be Approved as to Form:

- NRPC Resolution (Attachment B1)
- Indenture of Trust (Attachment B2)
- Lease Purchase Agreement (Attachment B3)
- Disclosure Dissemination Agreement (Attachment D1)
- Preliminary Official Statement (Attachment D2)

Agenda Item #5(c)-Nevada State University (NSU) Project

For Possible Action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of nursing/science/education building and a student activities/administration building for Nevada State University (formerly known as Nevada State College).

Background:

In 2013, the Nevada System of Higher Education (NSHE) proposed the construction of two new buildings on Nevada State College's campus – a nursing/science/education building and a student activities/administration building. The two facilities totaled 120,000 square feet for a cost of \$51.6 million. The Series 2013C Lease Revenue Certificates of Participation (Nevada State College Project) will be "callable" this fall. The proposed issuance of the Series 2023C Nevada State College Lease Revenue Refunding COPs is estimated to yield approximately \$3,865,000 (9.05% of refunded par) of interest savings over the remaining 20-year term.

Documents to be Approved as to Form:

- NRPC Resolution (Attachment C1)
- Indenture of Trust (Attachment C2)
- Lease Purchase Agreement (Attachment C3)
- Escrow Agreement (Attachment C4)
- Disclosure Dissemination Agreement (Attachment D1)
- Preliminary Official Statement (Attachment D2)

ATTACHMENT A1

NRPC Resolution CCB1

RESOLUTION OF NEVADA REAL PROPERTY CORPORATION
RELATING TO THE CAPITOL COMPLEX PROJECT BY ISSUANCE
OF LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION (CAPITOL
COMPLEX BUILDING 1 PROJECT) SERIES 2023

WHEREAS, the Nevada Real Property Corporation (the "Corporation") desires to assist the State of Nevada (the "State") in the proposed refinancing of a state office building located within the Capitol Complex in Carson City known as Capitol Complex 1 (the "Capitol Complex Project"); and

WHEREAS, the State has entered into a ground lease (the "Ground Lease") whereby the State has leased to the Corporation certain property (the "Premises") on which the Capitol Complex Project and related improvements have been constructed; and

WHEREAS, the State proposes to enter into a lease-purchase agreement (the "Lease Purchase Agreement") whereby the State will lease from the Corporation the Premises, the Capitol Complex Project and related improvements (the "Project"); and

WHEREAS, the Corporation proposes to refinance the costs of the Project by issuing its Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1) Series 2023 (the "2023 Certificates") in accordance with the proposed Indenture of Trust (the "Indenture") and as described in the Preliminary Official Statement (the "POS"); and

WHEREAS, the proposed Lease Purchase Agreement, the Indenture, the Disclosure Dissemination Agent Agreement and the POS (collectively, the "Financing Documents") have been or will be reviewed and approved by the State as required by NRS 353.500 to 353.630, inclusively, and the provisions of paragraph (d) of subsection 1 of NRS 353.550 have been or will be waived thereby prior to the issuance of the 2023 Certificates on behalf of the State; and

WHEREAS, the Financing Documents have been filed with the Board of Directors of the Corporation;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NEVADA REAL PROPERTY CORPORATION:

Section 1. That the Financing Documents, in the forms presented with such changes as may be approved by the President of the Corporation whose execution of such documents shall be conclusive evidence of such officer's approval of any such changes, are hereby approved. The President and Secretary are hereby authorized to execute and deliver the Financing Documents on behalf of the Corporation.

Section 2. That the preparation and distribution of the POS is hereby approved, ratified and confirmed. That the President is hereby authorized to approve an Official Statement pertaining to the 2023 Certificates conforming generally to the POS and the distribution thereof is hereby approved. The President or such officer's designee is authorized to deem the POS to be a "final" official statement on behalf of the Corporation for the purposes of Rule 15c2-12

promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 3. That the President and Secretary are hereby authorized to approve, authorize and execute such other documents as may be necessary or appropriate to implement the transactions contemplated by the Financing Documents.

Section 4. This Certificate Resolution shall be effective September 14, 2023.

President
Nevada Real Property Corporation

ATTACHMENT A2

Indenture of Trust CCB1

APN: Portion of 004-022-01

When Recorded, Return To:

Kendra S. Follett, Esquire
Sherman & Howard LLC
50 West Liberty Street, Suite 1000
Reno, NV 89501

INDENTURE OF TRUST

between

NEVADA REAL PROPERTY CORPORATION,

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

as Trustee

Dated as of November 1, 2023

**LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION
(CAPITOL COMPLEX BUILDING 1 PROJECT) SERIES 2023**

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THIS INDENTURE OF TRUST (this "Indenture") is dated as of November 1, 2023, and is entered into between the **NEVADA REAL PROPERTY CORPORATION**, a nonprofit corporation duly organized and validly existing under the laws of the State of Nevada, as grantor (the "Corporation"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Corporation (a) is a nonprofit corporation that is duly organized, validly existing and in good standing under the laws of the State of Nevada (the "State"), (b) is duly qualified to do business in the State and (c) is authorized, under its articles of association and bylaws, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to grant the Trust Estate (defined herein) to the Trustee and to execute, deliver and perform its obligations under this Indenture; and

WHEREAS, the Trustee (a) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America and (b) is authorized, under its articles of association, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture;

WHEREAS, the Corporation, as lessor, and the State as lessee, have entered into a Lease Purchase Agreement dated as of November 1, 2023 (the "Financing Lease") pursuant to which the Corporation has leased certain property (as defined herein, the "Leased Property") to the State and the State has agreed to pay Base Rent and Additional Rent (as defined in the Financing Lease), subject, in each case, to the terms of the Financing Lease; and

WHEREAS, the site of the Leased Property (the "Land"), is leased to the Corporation pursuant to the Ground Lease dated as of April 8, 2004 (the "Ground Lease") between the Corporation and the State, and thereafter subleased to the State by the Corporation under the Financing Lease; and

WHEREAS, the Trustee has previously delivered "Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2013" (the "2013 Certificates"); and

WHEREAS, the State has requested that the Trustee authenticate and deliver "Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023" (the "2023 Certificates") in order to refund the 2013 Certificates for interest rate savings and/or to effect other economies; and

WHEREAS, the 2023 Certificates shall evidence undivided interests in the right to receive Base Rent, shall be payable solely from the Trust Estate (defined herein), and no provision of the Certificates, this Indenture, the Financing Lease or the Ground Lease shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in any Fiscal Year (defined herein) in excess of amounts appropriated for such Fiscal Year; (b) obligating any appropriation by the State or other financial obligation whatsoever of the State; or (c) as a delegation of governmental powers by the State; and

WHEREAS, the 2023 Certificates and any Additional Certificates issued pursuant hereto (as defined herein) (collectively, the "Certificates") shall be special, limited obligations payable solely from the Trust Estate (defined herein) on the terms provided herein; and

WHEREAS, the Trustee has entered into this Indenture for and on behalf of the Owners (defined herein), and will, except as otherwise specifically provided herein, hold its rights hereunder, including its rights with respect to the Trust Estate, for the equal and proportionate benefit of the Owners, and will disburse moneys received by it in accordance with this Indenture; and

WHEREAS, the Assignment made herein by the Corporation to the Trustee of the Trust Estate is without recourse to the Corporation and the parties acknowledge that neither the Trustee nor any person claiming through the Trustee shall have any recourse or rights against the Corporation under the Ground Lease or the Financing Lease; and

WHEREAS, all things necessary to make the Certificates, when executed, delivered and authenticated by the Trustee and as in this Indenture provided, legal, valid and binding obligations enforceable against the Corporation and the Trustee in accordance with terms thereof, and to constitute this Indenture a legal, valid and binding instrument for the security of the Certificates in accordance with the terms hereof, have been done and performed;

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Corporation, in consideration of the premises and the mutual covenants herein contained and for the benefit of the Owners, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on all Certificates at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Certificates and herein contained, and to declare the terms and conditions upon and subject to which the Certificates are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, warranted, mortgaged, alienated, remised, released, conveyed, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, mortgage, alien, remise, release, convey, assign, pledge, set over and confirm unto the Trustee and to its successors and assigns forever, without recourse, all and singular the following described property, franchises and income, including any title therein acquired after these presents:

(a) the Leased Property and the tenements, hereditaments, appurtenance, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the Financing Lease including, but not limited to, the terms of the Financing Lease permitting the existence of Permitted Encumbrances (as defined in the Financing Lease);

(b) all rights, title and interest of the Corporation in, to and under the Ground Lease;

(c) all rights, title and interest of the Corporation in, to and under the Financing Lease, other than the rights, title and interest of the Corporation with respect to certain payments or reimbursement to the Corporation thereunder for its costs, fees and expenses;

- (d) all Base Rent and Additional Rent (defined in the Financing Lease);
- (e) the purchase price specified in Section 15.1 of the Financing Lease (the "Purchase Option Price") if paid; and
- (f) all money and securities from time to time held by the Trustee under this Indenture in the Debt Service Fund, the Reserve Fund and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specially mortgaged, pledged or hypothecated, as and for additional security hereunder, by the Corporation, or by anyone on its behalf, in favor of the Trustee, (including all monies, proceeds on other things of value received from leasing, renting or selling or otherwise transferring any portion of the Trust Estate as provided herein after an Event of Default) which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

SUBJECT, HOWEVER to:

- (a) the Corporation's retention of its rights to indemnification and payment of its expenses under the Financing Lease;
- (b) the rights of third parties to Additional Rentals payable to them under the Financing Lease;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Owners, without privilege, priority or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates, except as otherwise provided herein;

PROVIDED, HOWEVER, that if the principal of the Certificates and the interest due or to become due thereon, shall be paid at the times and in the manner mentioned in the Certificates, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Certificates secured hereunder are to be executed, authenticated and delivered and all said property, rights, interests, revenues and receipts hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee for the benefit of the Owners, as follows:

**ARTICLE I
DEFINITIONS**

The following terms shall have the following meanings in this Indenture:

"*Additional Certificates*" means any Certificates issued after the issuance of the 2023 Certificates pursuant to Section 2.10 hereof.

"*Additional Rent*" or "*Additional Rentals*" means "Additional Rent" as such term is defined in the Financing Lease.

"*Base Rent*" or "*Base Rentals*" means "Base Rent" as such term is defined in the Financing Lease.

"*Business Day*" means any day other than a Saturday, a Sunday, or a day on which banks in New York, New York, in the location of the offices of the State Controller or State Treasurer, or in the location of the principal corporate trust office of the Trustee, are authorized by law to remain closed.

"*2023 Certificates*" means the certificates authorized by Section 2.03 hereof.

"*Certificates*" means the 2023 Certificates and any Additional Certificates.

"*Code*" means the Internal Revenue Code of 1986, as amended to the date of issuance of the 2023 Certificates.

"*Corporation*" means Nevada Real Property Corporation, or any successor thereto.

"*Corporation Representative*" means the President of the Corporation, any director, officer or any other representative who is designated in writing by the President, any director or officer as a person authorized to act for the President for the purposes of this Indenture.

"*Costs*" or "*Costs of the Project*" means, with respect to each Project and the Certificates issued to finance such Project, all costs and expenses to be incurred, and the reimbursement to the State and the Corporation for all costs and expenses heretofore incurred by the State and the Corporation, including, without limitation:

- (a) the Cost of the Project (as defined in the Financing Lease);
- (b) payments to the Reserve Fund or any account thereof to establish or maintain the Reserve Fund Requirement;
- (c) the Costs of Delivery; and
- (d) any and all other costs necessary to effect the Project or to acquire or improve any Leased Property to the extent the same are permitted by the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates.

"*Costs of Delivery*" means administrative costs of the execution and delivery of any Certificates, including but not limited to the initial compensation and expenses of the Trustee prior to the date of delivery of the 2023 Certificates, any fees and expenses of any underwriter or financial advisor that provides services in connection with the execution and delivery of any 2023 Certificates, any fees or expenses of the State and the Corporation in connection with the execution and delivery of any 2023 Certificates, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, 2023 Certificate insurance premiums, costs of

immediately available funds, costs of publication, printing and engraving, accountants' fees and recording and filing fees.

"*Costs of Delivery Account*" means the special account held by the State Treasurer and discussed in Section 3.03 hereof.

"*Debt Service Fund*" means the special fund created pursuant to Section 3.01 hereof.

"*Defeasance Securities*" means (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

"*Event of Default*" means (a) when used with respect to the Financing Lease, an event described in Section 12.1 thereof and (b) when used with respect to this Indenture, an event described in Section 7.01 hereof.

"*Event of Nonappropriation*" means, when used with respect to the Financing Lease, an event resulting in the termination of the Financing Lease described in Section 3.3 of the Financing Lease.

"*Financed Facilities*" means a five story office building of approximately 120,000 square feet, with associated surface parking adjacent and general landscaping around the building and parking areas.

"*Financing Lease*" means the Lease Purchase Agreement dated as of November 1, 2023 between the Corporation and the State and any amendment or supplement thereto.

"*Fiscal Year*" means the State's fiscal year, which begins on July 1 of each calendar year and ends on June 30 of the following calendar year.

"*Fitch*" means Fitch Ratings, Inc. and its successors and assigns.

"*Indenture*" means this Indenture of Trust and any amendment or supplement hereto.

"*Initial Purchaser*" means (a) with respect to the 2023 Certificates, the initial purchaser of the 2023 Certificates on the date of delivery thereof, and (b) with respect to any Additional Certificates, the purchasers designated as such in any Supplemental Indenture.

"*Interest Component*" means with respect to each payment of Base Rent, that portion of the Base Rent so designated in Exhibit B of the Financing Lease.

"*Interest Payment Date*" means April 1 and October 1 of each year, (a) beginning on April 1, 2024 with respect to the 2023 Certificates and (b) beginning on April 1 or October 1 specified in the Supplemental Indenture entered into in connection with such Certificates with respect to any Additional Certificates.

"*Land*" means the Land described in Appendix B hereto, which is the same land that is leased by the Corporation to the State pursuant to the Financing Lease.

"*Lease Revenues*" means (a) the Base Rentals; (b) the Purchase Option Price, if paid; (c) any Net Proceeds; (d) any portion of the proceeds of any Certificates deposited with or by the Trustee in the Debt Service Fund to pay accrued interest on the Certificates; (e) any earnings on moneys on deposit in the Debt Service Fund and Reserve Fund; (f) all other revenues derived from the Financing Lease, excluding Additional Rentals (other than Reserve Fund payments made to the Trustee pursuant to Section 3.02(e) hereof); and (g) any other moneys to which the Trustee may be entitled for the benefit of the Owners.

"*Lease Term*" has the meaning ascribed to it in the Financing Lease.

"*Leased Property*" means the Land and the Financed Facilities and any other property that may be defined as part of the Leased Property by any Supplemental Indenture.

"*Moody's*" means Moody's Investors Service and its successors and assigns.

"*Net Proceeds*," when used with respect to the Leased Property, has the meaning ascribed to it in the Financing Lease.

"*Operations Center*" means the operations center of the Trustee in St. Paul, Minnesota.

"*Opinion of Counsel*" means a written opinion of legal counsel, who may be counsel to the Trustee or the Corporation or the State

"*Outstanding*" means all Certificates which have been executed and delivered, except:

(a) Certificates canceled or which shall have been surrendered to the Trustee for cancellation;

(b) Certificates in lieu of which other Certificates have been executed under Section 2.07 or 2.08 hereof;

(c) Certificates which have been prepaid as provided in Article IV hereof (including Certificates prepaid on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the prepayment date as provided in Section 4.01 hereof);

(d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to Section 3.06 hereof; and

(e) Certificates which are otherwise deemed discharged pursuant to Section 10.01 hereof.

"*Owner*" of a Certificate means the registered owner of any Certificate as shown in the registration records of the Trustee.

"*Person*" means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

"*Permitted Encumbrances*," when used with respect to the Leased Property, has the meaning ascribed to it in the Financing Lease.

"*Permitted Investments*" means any security or other obligation that (i) is a legal investment of funds of the State under NRS Section 355.140 and (ii) is listed on Appendix C hereto.

"*Principal Component*" means with respect to each payment of Base Rent, that portion of the Base Rent so designated in Exhibit B of the Financing Lease.

"*Project*" means the payment, refunding and discharge of the outstanding 2013 Certificates by depositing a portion of the proceeds of the 2023 Certificates, together with other available moneys, with the trustee for the 2013 Certificates, the costs of funding the Reserve Fund, if any, and the payment of expenses incidental thereto, as provided in the Lease and the Indenture and any other project that may be defined as a Project by any Supplemental Indenture.

"*Purchase Option Price*" is the price provided in Section 15.1 of the Financing Lease.

"*Qualified Surety Bond*" means a surety bond issued by an insurance company rated in the highest rating category by S&P, Moody's and Fitch.

"*Rebate Fund*" means the special fund created pursuant to Section 3.05 hereof.

"*Record Date*" means, with respect to each Interest Payment Date, the fifteenth day of the month immediately preceding the month (whether or not a Business Day) in which the Interest Payment Date occurs.

"*Redemption Account*" means the account created herein and designated as the "Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023, Redemption Account."

"*Refunded Certificate Requirements*" means the payment of (i) the interest due on the 2013 Certificates, both accrued and not accrued, as the same becomes due on the date of delivery of the 2023 Certificates and on their redemption date; and (ii) the principal of the 2013 Certificates upon prior redemption on their redemption date.

"*Requirement of Law*" means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety matters.

"*Reserve Fund*" means the special fund created pursuant to Section 3.02 hereof.

"*Reserve Fund Requirement*" means for the 2023 Certificates \$0 and for any series of Additional Certificates for which a deposit to the Reserve Fund may be required, which shall not exceed the lesser of (i) 10% of the stated principal amount of such Certificates, (ii) the maximum debt service due on the then outstanding amount of such Certificates in any Fiscal Year and (iii) 125% of the average Fiscal Year debt service due on the then outstanding amount of such Certificates.

"*Special Counsel*" means (a) as of the date of issuance of the 2023 Certificates, Sherman & Howard, LLC and (b) as of any other date, Sherman & Howard, LLC, or such other attorneys selected by the State with nationally recognized expertise in the issuance of municipal obligations.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with Section 2.02 hereof.

"*State*" means the State of Nevada, acting by and through the Division of State Lands of the Department of Conservation and Natural Resources (the "Department" or "CNR").

"*State Representative*" means the State Treasurer (the "Treasurer"), a deputy of the Treasurer or any other person who is designated in writing by the Treasurer or a deputy as a person authorized to act for the Treasurer for the purposes of this Indenture (when acting as a State Representative hereunder, if a state agency or officer's approval of any action hereunder is needed other than the approval of the Treasurer, it shall be the responsibility of the Treasurer or a deputy to obtain that other approval or consent before taking the action under this Indenture as a State Representative).

"*Supplemental Indenture*" means any indenture supplementing or amending this Indenture that is adopted pursuant to Article IX hereof.

"*S&P*" means S&P Global Ratings, a division of the McGraw Hill Companies, Inc., and its successors and assigns.

"*Trust Estate*" means the property mortgaged, pledged and assigned to the Trustee pursuant to the granting clauses hereof. The Trust Estate does not include the Rebate Fund or any escrow accounts established pursuant to Section 10.01 hereof.

"*Trustee*" means U.S. Bank Trust Company, National Association acting in the capacity of trustee pursuant hereto, and any successor thereto appointed hereunder.

"*Trustee Representative*" means any vice president or assistant vice president of the Trustee or such other representative as a duly authorized officer of the Trustee shall designate in writing.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND DELIVERY OF CERTIFICATES

2.01 Authorized Amount of Certificates. No Certificates may be executed and delivered hereunder except in accordance with this Article. The aggregate principal amount of Certificates that may be executed and delivered hereunder shall not be limited in amount.

2.02 Denomination, Payment of Interest on Certificates.

(a) The Certificates shall be sold, executed and delivered hereunder, for the purpose of paying the Costs of the Project.

(b) The Certificates shall be deliverable only as fully registered Certificates in denominations of \$5,000 and any integral multiple thereof (provided that no Certificate may be in a denomination which exceeds the Principal component of Base Rent coming due on any

Rent Payment Date and no individual Certificate may be executed and delivered for more than one Rent Payment Date). The Certificates shall be numbered in such manner as shall be determined by the Trustee.

(c) The principal of any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior prepayment thereof and upon presentation and surrender at the Operations Center. Payment of interest with respect to the Certificates shall be made by check or draft of the Trustee mailed, or by wire transfer or other electronic means, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, electronically or otherwise to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Certificate and the Trustee.

2.03 2023 Certificate Details.

(a) The 2023 Certificates designated as the "Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023" evidencing undivided interests in the right to receive certain revenues payable by the State under the Financing Lease (the "2023 Certificates") shall be executed and delivered in the aggregate principal amount of \$ _____. The 2023 Certificates shall be dated as of _____, 2023 and shall mature on the dates and in the amounts set forth below and shall evidence interest from their original dated date to maturity at the rates per annum shown below computed on the basis of a 360 day year of twelve 30 day months, payable on each Interest Payment Date; except that 2023 Certificates which are reissued upon transfer, exchange or other replacement shall evidence interest at the rates per annum shown below 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 original dated date of the 2023 Certificates:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Annual Interest Rate</u>
April 1, 2024	\$	%
April 1, 2025		
April 1, 2026		
April 1, 2027		
April 1, 2028		
April 1, 2029		
April 1, 2030		
April 1, 2031		

The total Principal Components and Interest Components due on all Certificates shall not exceed the total Base Rent due under the Financing Lease.

(b) The 2023 Certificates shall be executed and delivered in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the Trustee executing the same (whose manual, electronic or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the 2023 Certificates and this Indenture are hereby approved and adopted as the covenants, statements, representations and agreements of the Trustee. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Indenture and is incorporated herein as if set forth in full in the body of this Indenture.

2.04 Limited Obligations. Each Certificate shall represent an undivided interest in the right to receive Base Rent and shall be secured by and payable solely from the Trust Estate in accordance with, and subject to the terms of this Indenture. No provision of the Certificates, this Indenture, the Financing Lease or the Ground Lease shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) requiring the State to make an appropriation; or (c) as a delegation of governmental powers by the State.

2.05 Execution and Authentication of Certificates. The manual, facsimile or electronic signature of a duly authorized signatory of the Trustee shall appear on each Certificate. Any Certificate shall be deemed to have been executed by a duly authorized signatory of the Trustee if signed by the Trustee, but it shall not be necessary that the same signatory sign all of the Certificates executed and delivered hereunder. If any signatory of the Trustee whose signature appears on a Certificate shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained a duly authorized signatory of the Trustee until delivery.

2.06 Delivery of Certificates. Upon the execution and delivery of this Indenture, and, with respect to any Additional Certificates, the execution and delivery of any Supplemental Indenture relating to such Additional Certificates, the Trustee shall execute and deliver such Certificates to the Initial Purchasers thereof, as hereinafter in this Section provided:

(a) Prior to the delivery by the Trustee of any of such Certificates, there shall have been filed with the Trustee (i) an originally executed counterpart of this Indenture and any Supplemental Indenture relating to such Certificates, and (ii) certified copies of any other instruments to be executed and delivered by the Corporation in connection with such Certificates, which, in the case of the 2023 Certificates, shall include, but not be limited to, the Financing Lease and the Ground Lease.

(b) Thereupon, the Trustee shall deliver such Certificates to the Initial Purchaser thereof, upon payment to the Trustee of the agreed purchase price or as provided herein. The agreed purchase price of the 2023 Certificates consists of the principal amount of the 2023 Certificates of \$_____, plus original issue premium of \$_____, less the Initial Purchaser's discount of \$_____, which sum shall be applied as follows: (i) the amount required to establish the Reserve Fund Requirement for the 2023 Certificates (\$0) shall be deposited into the Reserve Fund; (iii) \$_____ shall be wired by the Initial Purchaser to the Treasurer for deposit into the Costs of Delivery Account; and (iv) the remainder shall be deposited into the Redemption Account[, together with \$_____ on deposit in the debt service reserve fund with the trustee for the 2013 Certificates], which shall be applied solely to the payment of Refunded Certificate Requirements.

2.07 Mutilated, Lost, Stolen or Destroyed Certificates. In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed on behalf of the Trustee, of like series date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received such evidence, information or indemnity from the Owner of the Certificate as it may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee. In the event that any such Certificate shall have matured, instead of issuing a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in this connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

2.08 Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates.

(i) (i) Records for the registration and transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar for the Certificates. The principal of and interest with respect to any Certificate shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned.

(ii) Fully registered Certificates may be exchanged at the Operations Center for an equal aggregate principal amount of fully registered Certificates of the same maturity of other authorized denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

(iii) The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

(iv) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day the Trustee gives the notice calling any Certificates for prior prepayment and ending at the close of business on the day of such notice, or (ii) all or any portion of a Certificate after the giving of the notice calling such Certificate or any portion thereof for prior prepayment.

(b) Notwithstanding the foregoing provisions of subsections (a) hereof, the Certificates shall initially be evidenced by one Certificate for each year in which the applicable series of Certificates mature in denominations equal to the aggregate principal amount of the Certificates maturing in that year. Such initially delivered Certificates shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities

depository for the Certificates. The Certificates may not thereafter be transferred or exchanged except:

(i) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in subsection 3 of NRS § 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(ii) upon the resignation of The Depository Trust Company or a successor under clause (1) or new depository under this clause (2) or a determination by the Trustee 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 Trustee of another depository institution acceptable to the Trustee and to the depository then holding the Certificates, which new depository institution must be both a "clearing corporation" as defined in subsection 3 of 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

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

(c) 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 (b) hereof or designation of a new depository pursuant to clause (2) of subsection (b) hereof, upon receipt of the Certificates by the Trustee, together with written instructions for transfer satisfactory to the Trustee, a new Certificate for each maturity of the Certificates then Outstanding 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 (b) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Certificates as provided in clause (3) of subsection (b) hereof, and upon receipt of the Certificates by the Trustee, together with written instructions for transfer satisfactory to the Trustee, new Certificates shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 2.02(a) hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions: however, the Trustee shall not be required to deliver such new Certificates within a period of less than 60 days from the date of receipt of such written transfer instructions.

(d) Except as otherwise provided herein with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest with respect to any Certificate shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

2.09 Cancellation of Certificates . Whenever any Outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or

for or after replacement pursuant to Section 2.07 or 2.08 hereof, such Certificates shall be promptly cancelled by the Trustee.

2.10 Issuance of Additional Certificates.

(a) So long as the Lease Term shall remain in effect, and no Event of Nonappropriation under the Financing Lease, no Event of Default under the Financing Lease (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) and no Event of Default hereunder (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) shall have occurred, one or more issues of Additional Certificates may be executed and delivered upon the terms and conditions provided in this Section. The maturity dates for such Additional Certificates shall be the same date of the month as the maturity date of the 2023 Certificates and the Interest Payment Dates for such Additional Certificates shall be April 1 and October 1 of the years set forth in the Supplemental Indenture relating to such Additional Certificates. Additional Certificates may only be issued to evidence undivided interests in Base Rent pursuant to an amendment of the Financing Lease with respect to which Certificates have not been previously issued. Proceeds of Additional Certificates may only be used to provide funds to pay one or more of the following: (i) the costs of refunding all or any portion of the Outstanding Certificates; and (ii) the costs of making at any time or from time to time such additions, modifications and improvements for or to the Leased Property as the State and the Corporation may deem necessary or desirable.

(b) Additional Certificates may be executed and delivered only in accordance with subsection (a) of this Section and only upon there being furnished to the Trustee:

(i) Originally executed counterparts of a Supplemental Indenture expressly providing that, for all the purposes hereof, the Leased Property shall include any property being financed by the Additional Certificates, and that the Certificates shall mean and include the Additional Certificates being executed and delivered as well as any Certificates and Additional Certificates theretofore executed and delivered, except that the series description of the Additional Certificates, the date or dates of the Additional Certificates, the maturity dates and Interest Payment Dates for the Additional Certificates, the rate or rates of interest with respect to the Additional Certificates, and provisions for the prepayment thereof, if any, all may be as provided in the Supplemental Indenture rather than as provided in this Indenture.

(ii) The addition to the Trust Estate of an assignment of the Lease Revenues from or with respect to the property financed with the proceeds of such Additional Certificates.

(iii) A written opinion of Special Counsel to the effect that the execution and delivery of the Additional Certificates have been duly authorized, that all conditions precedent to the delivery thereof have been fulfilled, that the execution and delivery of Additional Certificates will not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to any Certificates, and that the sale, execution and delivery of the Additional Certificates will not constitute an Event of Default under this Indenture or the Financing Lease nor cause any violation of the covenants or representations herein or in the Financing Lease.

(iv) Proceeds of such Additional Certificates or other legally available funds of the Corporation or the State for deposit into the appropriate account within the Reserve Fund, or other substitution for the cash deposit as described in Section 3.02(b) hereof, in an amount, if any, necessary to increase the amount on deposit in the appropriate account within the Reserve Fund to the applicable Reserve Fund Requirement.

(v) An amendment to Exhibit B to the Financing Lease evidencing that the Base Rent after such amendment is fully sufficient to timely pay all amounts due with respect to the Certificates that will be outstanding after the issuance of such Additional Certificates, executed by the parties to the Financing Lease.

(vi) Evidence that (A) the Additional Certificates will be rated by S&P, Moody's and Fitch or whichever of S&P, Moody's or Fitch then rates any Certificates, at least as high as the highest rated Certificates then Outstanding (or, if the Outstanding Certificates are insured, at least as high as the highest rating on the Certificates then Outstanding without regard to such insurance) and (B) the execution and delivery of the Additional Certificates will not result in a withdrawal or reduction of any rating on any other Outstanding Certificates.

(vii) A written order to the Trustee by the Corporation to deliver the Additional Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified sum plus accrued interest.

(c) No Additional Certificates shall be authorized if an Event of Default shall have occurred and be continuing with respect to the Outstanding Certificates.

(d) Each of the Additional Certificates executed and delivered pursuant to this Section shall be proportionately and ratably secured with the Certificates originally issued and all other issues of Additional Certificates, if any, executed and delivered pursuant to this Section, without preference, priority or distinction of any Certificates or Additional Certificates over any other except as to any separate account in the reserve fund established for a particular series of Certificates which shall be exclusively for the benefit of that series of Certificates.

2.11 Negotiability . Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest with respect to the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the State, the Corporation, the Trustee and the original or any intermediate owner of any Certificates.

ARTICLE III FUNDS AND ACCOUNTS

3.01 Debt Service Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Debt Service Fund" (the "Debt Service Fund") and, within such fund, the Interest Account and the Principal Account. The Trustee may establish such additional accounts within the Debt Service Fund or such

subaccounts within any of the existing or any future accounts of the Debt Service Fund as may be necessary or desirable.

(b) There shall be deposited into the Interest Account (i) all accrued interest received at the time of the execution and delivery of the Certificates; (ii) the Interest Component of Base Rentals made by the State; (iii) any portion of the Reserve Fund to be deposited into the Interest Account, as provided in Section 3.02(d) hereof, provided that amounts transferred to the Debt Service Fund from a particular account of the Reserve Fund shall be applied only to the payment of the corresponding issue of 2023 Certificates or Additional Certificates; and (iv) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Interest Account.

(c) There shall be deposited into the Principal Account (i) the Principal Component of Base Rentals made by the State; (ii) any portion of the Reserve Fund to be deposited into the Principal Account, as provided in Section 3.02(d) hereof, provided that amounts transferred to the Debt Service Fund from a particular account of the Reserve Fund shall be applied only to the payment of the corresponding issue of Certificates; and (iii) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Principal Account.

(d) Moneys in the Interest Account shall be used solely for the payment of interest with respect to the Certificates and moneys in the Principal Account shall be used solely for the payment of the principal with respect to the Certificates; provided that (i) in the event that there are any remaining moneys in the Interest Account upon payment of the interest due with respect to the Certificates, such moneys may be used for the payment of principal with respect to the Certificates; (ii) moneys representing accrued interest received at the time of the execution and delivery of any series of Certificates shall be used solely to pay the first interest due with respect to such Certificates; (iii) the Purchase Option Price and any other moneys transferred to the Debt Service Fund with specific instructions that such moneys be used to pay the prepayment price of Certificates shall be used solely to pay the prepayment price of Certificates; (iv) moneys transferred from any account of the Reserve Fund shall be used solely to pay the principal and interest due with respect to the Certificates, the proceeds of which were used to fund such account; and (v) moneys transferred from the Costs of Delivery Account shall be used to pay the principal and interest with respect to the Certificates; provided, further, that all moneys in the Debt Service Fund shall be available to pay the prepayment price of Certificates in connection with a prepayment of all the Certificates and to pay the principal of and interest with respect to any Certificates following an Event of Default or Event of Nonappropriation.

3.02 Reserve Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Reserve Fund" (the "Reserve Fund"). The Trustee shall establish an account within the Reserve Fund for the 2023 Certificates and for each series of Additional Certificates if deposits are required to be made therein. For the 2023 Certificates, the Reserve Fund Requirement shall be \$0.

(b) There shall be deposited into the appropriate account of the Reserve Fund, (i) upon the execution and delivery of each series of Certificates, an amount sufficient to establish the Reserve Fund Requirement for such series of Certificates from proceeds of such series of Certificates or other available moneys of the State or the Corporation; (ii) all amounts

paid by the State pursuant to subsection (e) of this Section; and (iii) all other moneys delivered to the Trustee that are accompanied by instructions to deposit the same into the Reserve Fund. Nothing in this Indenture shall be construed as limiting the right of the State or the Corporation to augment the Reserve Fund or any account thereof with any other moneys which are legally available for payment of the principal of and interest with respect to the Certificates or, subject to Section 5.01 hereof, to substitute for the cash deposit required to be maintained hereunder a Qualified Surety Bond to insure that cash in the amount otherwise required to be maintained hereunder will be available as needed. If the Reserve Fund is funded in part with cash and in part with a Qualified Surety Bond the State shall at the time it deposits the Qualified Surety Bond provide directions to the Trustee as to the order in which such sources are to be applied if payments are required to be made from the Reserve Fund.

(c) Income derived from the investment of moneys in any account of the Reserve Fund (i) shall be retained in such account to the extent the amount therein is less than the Reserve Fund Requirement therefor; (ii) shall be used as provided in subsection (d) of this Section to the extent required thereunder; (iii) shall, to the extent required by Section 3.05(e), be deposited into the Rebate Fund; and (iv) to the extent not required to be used as provided in clause (i), (ii) or (iii), may, at the option and direction of the State be (A) transferred to the Debt Service Fund to pay the principal of or interest with respect to the corresponding issue of 2023 Certificates or Additional Certificates; (B) transferred to the Rebate Fund; (C) used to pay fees and expenses of the Trustee; (D) used to defease Certificates pursuant to Section 10.01 hereof; or (E) used for any combination of (A), (B), (C) or (D). Absent specific direction, such amounts shall be applied as provided in Clause (A) of the foregoing sentence.

(d) Moneys held in each account within the Reserve Fund shall be applied to any of the following purposes; provided, however, that each such purpose relates only to the issue of 2023 Certificates or Additional Certificates for which a deposit to the Reserve Fund was required pursuant to this Indenture or the Supplemental Indenture relating to such Certificates and to no other issue of Certificates:

(i) To the payment of the principal of and interest with respect to the Certificates when due, to the extent of any deficiency in the Debt Service Fund for such purpose;

(ii) At the option of the Trustee, upon the occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease or an Event of Default hereunder, to the payment of any cost or expense necessary to preserve or protect the Leased Property or the interest of the Trustee or the Owners therein, or necessary to make any repairs or modifications to the Leased Property in preparation for sale or other disposition thereof, as the Trustee may deem to be in the best interests of the Owners;

(iii) Except to the extent applied pursuant to clause (2) of this subsection, upon the expiration of the Lease Term by reason of the occurrence of an Event of Nonappropriation or upon the termination of the Lease Term by reason of the occurrence of an Event of Default thereunder, proportionately to the prepayment of the Certificates then Outstanding and the payment of interest with respect thereto;

(iv) In the event the Certificates are defeased in full pursuant to Section 10.01 hereof, to the defeasance escrow if so directed by the State; or

(v) To the extent the amount therein exceeds the Reserve Fund Requirement, at the option and direction of the State, as provided in clauses (A), (B), (C), (D) or (E) of subsection (c)(iv) of this Section.

(e) If, for any reason, the amount on deposit in any account of the Reserve Fund is less than the Reserve Fund Requirement for the corresponding issue of 2023 Certificates or Additional Certificates, the State shall pay as Additional Rent or Base Rent, as the case may be, to the Trustee all amounts required to restore the amount on deposit in such account to the Reserve Fund Requirement as follows: (i) if the deficiency is as a result of an annual valuation of the Reserve Fund, the deficiency shall be restored in three equal monthly installments prior to the next succeeding valuation date and (ii) if the deficiency occurs for any other reason, the deficiency shall be restored in 9 equal monthly installments commencing 3 months following the determination that a deficiency exists. Payment of moneys by the State under this subsection (e), (as well as all other payments by the State) is subject to Section 2.04 hereof.

3.03 Costs of Delivery Account.

(a) Upon delivery of the 2023 Certificates or prior thereto, a special account will have been created and established with the Treasurer and designated as the "State of Nevada 2023 Certificates of Participation Costs of Delivery Account" (the "Costs of Delivery Account").

(b) Upon delivery of the 2023 Certificates and receipt of the moneys described in Section 2.06(b)(iii) hereof, the Initial Purchaser shall wire \$_____ of such moneys to the Treasurer for deposit into the Costs of Delivery Account for disbursement by the Treasurer to pay the Costs of Delivery.

(c) If an Event of Default shall have occurred hereunder or under the Financing Lease, the Trustee, as it deems appropriate and in the best interests of the Owners, shall request the Treasurer to disburse moneys in the Costs of Delivery Account to the Trustee to be applied as provided in Article VII hereof. At such time as the Treasurer may determine, the Treasurer may disburse moneys in the Costs of Delivery Account to the Trustee to be deposited in the Debt Service Fund (i) as a credit against the next principal installments of Base Rent payments coming due, (ii) to defease principal or interest payments of Base Rent coming due in the future designated by the Treasurer or designee; (iii) to pay amounts required to be deposited in the Rebate Fund; or (iv) to any combination of such purposes, all as the Treasurer or designee directs.

3.04 Redemption Account.

(a) A special account is hereby created and established designated as the Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023, Redemption Account (the "Redemption Account") to be held by the trustee for the 2013 Certificates and used to prepay the 2013 Certificates as described herein.

(b) The balance of the proceeds of the sale of Certificates remaining after the deposit to the Reserve Fund pursuant to Section 3.02(b) hereof and to the Costs of Delivery Account pursuant to Section 3.03(b) shall be deposited into the Redemption Account and used, together with debt service reserve funds, if any, on deposit with the trustee for the 2013

Certificates and other available funds of the State, to pay the Refunded Certificate Requirements on the date of delivery of the 2023 Certificates.

3.05 Rebate Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Rebate Fund" (the "Rebate Fund").

(b) There shall be deposited into the Rebate Fund (i) any moneys transferred to the Rebate Fund from the Reserve Fund pursuant to Section 3.02(c) or (d) and Section 3.03(c)(iii) hereof; (ii) all amounts paid by the State or transferred from the Reserve Fund pursuant to subsection (e) of this Section; and (iii) all other moneys delivered to the Trustee by the State, the Corporation or any other Person that are accompanied by instructions to deposit the same into the Rebate Fund.

(c) Not later than 60 days after the date of delivery of the 2023 Certificates and every five years thereafter, the Trustee on behalf of and at the direction of the State shall pay to the United States of America 90% of the amount required, if any, to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the final retirement of the Certificates, the Trustee on behalf of and at the direction of the State shall pay to the United States of America 100% of the amount required, if any, to be on deposit in the Rebate Fund which shall remain in effect for such period of time as is necessary for such final payment to be made. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah. Each payment shall be accompanied by a copy of the Internal Revenue Form 8038 T and a statement summarizing the determination of the amount to be paid to the United States of America provided to the Trustee by the State. There is reserved in the State the right, in all events, to pursue such remedies and procedures as are available in order to assert any claim of overpayment of any rebated amounts.

(d) The State shall make or cause to be made all required rebate calculations annually on or before August 15 of each year with respect to the preceding Fiscal Year, and notify the Trustee of the resulting rebate amount so as to provide the information required to transfer moneys to the Rebate Fund pursuant to subsection (b) of this Section. The Trustee shall make deposits to and disbursements from the Rebate Fund in accordance with the Investment Instructions (the "Investment Instructions") and the Tax Compliance Certificate (the "Tax Compliance Certificate") executed by the State in connection with the issuance of the 2023 Certificates and any Tax Compliance Certificates executed by the State in connection with the issuance of any Additional Certificates. The Trustee shall invest the Rebate Fund pursuant to said Investment Instructions and shall deposit income from said investments immediately upon receipt thereof in the Rebate Fund, all as set forth in the Investment Instructions. The Investment Instructions may be superseded or amended by new Investment Instructions drafted by and accompanied by an opinion of Special Counsel addressed to the Trustee to the effect that the use of said new Investment Instructions will not cause the interest with respect to the Certificates to be includable in the gross income of the recipients thereof for purposes of federal income taxation. The State may employ, at its expense, a designated agent to calculate the amount of deposits to and disbursements from the Rebate Fund based upon information furnished by the Corporation and the Trustee. If a withdrawal from the Rebate Fund is permitted as a result of the computation described in the Investment Instructions, the amount withdrawn shall be deposited in the Debt Service Fund. Record of the determinations required

by this Section and the Investment Instructions must be retained by the Corporation and the Trustee until six years after the final retirement of the Certificates.

(e) The State agrees that while the Financing Lease is in effect, if, for any reason, the amount on deposit in the Rebate Fund as of June 30 of any year, is less than the amount that would be required to be paid to the United States of America if the Certificates were retired as of that date, either (i) the State will pay to the Trustee as Additional Rent by August 31 of that year the amount required to make such payment on such date, or (ii) amounts derived from earnings on amounts in the Reserve Fund sufficient to make such payment will be deposited into the Rebate Fund.

3.06 No presentment of Certificates. In the event any Certificate shall not be presented for payment when due, if funds sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to such Certificate. Funds so held but unclaimed by an Owner shall be delivered to the State after the expiration of five years or, upon receipt by the Trustee of an opinion of Special Counsel that such funds may be released to the State on such earlier date, on any earlier date designated by the State.

3.07 Moneys to be Held in Trust. The Debt Service Fund, the Reserve Fund and any other fund or account created hereunder (except the Rebate Fund and the Redemption Account) shall be held by the Trustee, for the benefit of the Owners as specified in the Indenture, subject to the terms of this Indenture and the Financing Lease. Any escrow account established pursuant to Section 10.01 hereof shall be held for the benefit of the Owners of the Certificates to be paid therefrom as provided in the applicable escrow agreement.

3.08 Repayment to the State from the Trustee. After payment in full of the principal of and interest on the Certificates, all rebate payments due to the United States of America, the fees and expenses of the Trustee and the Corporation and all other amounts required to be paid hereunder, any remaining amounts held by the Trustee pursuant hereto shall be paid to the State.

ARTICLE IV PREPAYMENT OF CERTIFICATES

4.01 Prepayment of 2023 Certificates in Whole Upon an Event of Nonappropriation or Event of Default under the Financing Lease.

(a) In the event of the occurrence of an Event of Nonappropriation under the Financing Lease or the occurrence and continuation of an Event of Default under the Financing Lease, the 2023 Certificates shall be prepayable in whole, at a prepayment price determined pursuant to subsection (b) of this Section, on any date.

(b) The prepayment price for any prepayment pursuant to this Section shall be the lesser of (i) the principal amount of the 2023 Certificates, plus accrued interest to the prepayment date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Financing Lease with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such prepayment and (B) the other amounts available in the Trust

Estate for payment of the prepayment price of the Certificates, which amounts shall be allocated among the 2023 Certificates in proportion to the principal amount of each 2023 Certificate. Notwithstanding any other provision hereof, the payment of the prepayment price of any 2023 Certificate pursuant to this Section shall be deemed to be the payment in full of such 2023 Certificate and no Owner of any 2023 Certificate prepaid pursuant to this Section shall have any right to any payment from the Corporation, the Trustee or the State in excess of such prepayment price.

(c) In addition to any other notice required to be given under this Article or any other provision hereof, the Trustee shall, immediately upon the occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease, notify the Owners (i) that such event has occurred and (ii) advise the Owners as to whether or not the funds then available to it for such purpose are sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section. If the funds then available to the Trustee are sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section, such prepayment price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section, the Corporation and the Trustee shall (A) immediately pay the portion of the prepayment price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Financing Lease and (B) subject to the provisions of Article VII hereof, immediately begin to exercise and shall diligently pursue all remedies available to them under the Financing Lease in connection of such Event of Nonappropriation or Event of Default. The remainder of the prepayment price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies. Partial payments shall be applied first to unpaid interest and second to principal.

4.02 No Optional Prepayment or Sinking Fund Prepayment of 2023 Certificates.
The 2023 Certificates shall not be subject to optional prepayment or mandatory sinking fund prepayment prior to their respective maturities.

4.03 Notice of Prepayment.

(a) Notice of the call for any prepayment, identifying the Certificates or portions thereof to be prepaid and the prepayment date and stating that on the prepayment date, the principal amount of the Certificates to be repaid and accrued interest and premium, if any, thereon will become due and payable at the principal office of the Trustee, or such other office as may be designated by the Trustee, and that after the prepayment date, no further interest will accrue on the principal of the Certificates called for prepayment, shall be given by the Trustee electronically or otherwise, at least 20 days and not more than 60 days prior to the date fixed for prepayment to the Owner of each Certificate to be prepaid at the address shown on the registration books, to the Municipal Securities Rulemaking Board ("MSRB"); provided, however, that failure to give such notice to the MSRB or any Owner, or any defect therein, shall not affect the validity of any proceedings with respect to any Certificates to whose Owner a notice was given.

(b) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

(c) If at the time of giving the notice of prepayment there shall not have been deposited with the Trustee moneys sufficient to prepay all the Certificates called for prepayment, which moneys are or will be available for prepayment of Certificates, such notice

will state that it is conditional upon the deposit of the prepayment moneys with the Trustee not later than the opening of business on the prepayment date, and such notice shall be of no effect unless such moneys are so deposited.

4.04 Prepayment Payments.

(a) On or prior to the date fixed for prepayment, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Certificates called for prepayment, together with accrued interest thereon to the prepayment date. Upon the giving of notice and the deposit of such funds as may be available for prepayment pursuant to this Indenture, interest on the Certificates or portions thereof thus called for prepayment shall no longer accrue after the date fixed for prepayment.

(b) The Trustee shall pay to the Owners of Certificates so prepaid, the amounts due on their respective Certificates, at the Operations Center of the Trustee upon presentation and surrender of the Certificates.

4.05 Cancellation. All Certificates which have been prepaid shall not be reissued but shall be canceled by the Trustee in accordance with Section 2.09 hereof.

4.06 Delivery of New Certificates Upon Partial Prepayment of Certificates. Upon surrender and cancellation of a Certificate for prepayment in part only, a new Certificate or Certificates of the same series and maturity and of authorized denomination in an aggregate principal amount equal to the unprepaid portion thereof, shall be executed on behalf of and delivered by the Trustee.

ARTICLE V INVESTMENTS

5.01 Investment of Moneys. All moneys held as part of any fund, account or subaccount created hereunder shall, subject to Sections 5.02 and 6.02 hereof, be deposited or invested and reinvested by the Trustee, as provided in the Investment Instructions and other written directions provided by the State as an agent of the Corporation (so long as no Event of Default or Event of Nonappropriation has occurred) in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any moneys in any fund or account created hereunder which shall interfere with or prevent withdrawals for payment of Costs of the Project or for payment of the Certificates, or interest with respect thereto. (If an Event of Default or an Event of Nonappropriation has occurred, the Trustee shall determine the investments to be made, which shall only be in Permitted Investments.) Any and all such deposits or investments shall be held by or under the control of the Trustee. The Trustee may make any and all such deposits or investments through its own trust department or the trust department of any bank or trust company under common control with the Trustee. Income from deposits or investments of moneys held in the Rebate Fund shall be deposited as provided in Section 3.05 hereof and income from deposits or investments of moneys held in any escrow account established pursuant to Section 10.01 hereof shall be deposited as provided in the escrow agreement governing such escrow account. Otherwise, except as otherwise provided by Section 3.02(c) and 3.05(e) hereof, deposits or investments shall at all times be a part of the fund, account or subaccount from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund, account or subaccount. In computing the amount in any fund or account created hereunder for any purpose hereunder,

investments shall be valued at cost (exclusive of accrued interest) or par, whichever is less, except that investments in the Reserve Fund shall be valued at fair market value and marked to market on July 1 in each year.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the State that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the State, unless the State notifies the Trustee in writing to the contrary within thirty (30) days of the date of such statement. The Trustee shall without further direction from the State sell such qualified investments as and when required to make any payment for the purpose for which such investments are held.

5.02 Tax Certification. The State covenants to give investment instructions to the Trustee, while the Financing Lease is in effect, so moneys in any fund or account held by the Trustee under this Indenture, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not, if such instructions are followed, be deposited or invested in a manner which will cause the interest on the Certificates to be included in gross income for federal income tax purposes, and Trustee agrees to follow those instructions.

ARTICLE VI PARTICULAR COVENANTS

6.01 Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants that:

(a) The Corporation (i) is a nonprofit corporation that is organized, validly existing and in good standing under the laws of the State, (ii) is duly qualified to do business in the State and (iii) is authorized, under its articles of incorporation and bylaws, the action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to assign the Trust Estate to the Trustee and to execute, deliver and perform its obligations hereunder.

(b) The assignment of the Trust Estate to the Trustee pursuant to this Indenture is in the best interests of the Corporation.

(c) The execution, delivery and performance of this Indenture by the Corporation has been duly authorized by the Corporation.

(d) This Indenture is enforceable against the Corporation in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State of Nevada and its governmental bodies of the police power inherent in the sovereignty of the State of Nevada and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(e) The execution, delivery and performance of the terms of this Indenture by the Corporation does not and will not conflict with or result in a breach of the terms,

conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Indenture, the Ground Lease or the Financing Lease.

(f) There is no litigation or proceeding pending or threatened against the Corporation or any other Person affecting the right of the Corporation to execute, deliver or perform its obligations under this Indenture.

(g) The Corporation shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of incorporation and bylaws, the action of its board of directors and applicable law; provided, however, that this covenant shall not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Corporation hereunder, but only if and to the extent such assumption does not materially impair the rights of the Owners of any Outstanding Certificates or of the State.

(h) The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Indenture, the Financing Lease, any other instrument or other arrangement to which it is a party that benefits the Owners of any Outstanding Certificates and any other Requirement of Law.

6.02 Tax Covenant. The Corporation shall not take any action or omit to take any action with respect to the Certificates, the proceeds of the Certificates, the Trust Estate, the Leased Property, or any other funds or property of the Corporation, and it will not permit any other Person to take any action or omit to take any action with respect to the Trust Estate or the Leased Property or the use thereof if such action or omission (i) would cause the interest on the Certificates to be included in the gross income of the holders thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), (ii) would cause interest on the Certificates to be included in alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Certificates until the date on which all obligations in fulfilling the above covenant under the Tax Code have been met. The Corporation makes no covenant with respect to taxation of interest on the Certificates as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code). The covenants set forth in this Section shall not, however, apply to any series of Certificates if, at the time of execution and delivery, the State and the Corporation intend the interest with respect to such series of Certificates to be subject to federal income tax.

6.03 Sale or Encumbrance of Leased Property. As long as there are any Outstanding Certificates, and as except otherwise permitted by this Indenture and except as the Financing Lease otherwise specifically requires, the Corporation shall not sell or otherwise dispose of its interest in the Leased Property.

6.04 Rights of Trustee under Financing Lease and Ground Lease. The State and the Corporation hereby covenant to the Trustee for the benefit of the Owners that the State and the Corporation will observe and comply with their obligations under the Financing Lease and Ground Lease, and that all the representations made by the State and the Corporation in the

Financing Lease and Ground Lease are true. Wherever in the Financing Lease or Ground Lease it is stated that the State will notify the Corporation, or wherever the Financing Lease or Ground Lease gives the Corporation or the Trustee some right or privilege, such part of the Financing Lease or Ground Lease shall be as if it were set forth in full in this Indenture. The Corporation agrees that the Trustee, as assignee of the Corporation under the Financing Lease and Ground Lease may enforce, in its name or in the name of the Corporation, all rights of the Corporation and all obligations of the State under the Financing Lease and Ground Lease, for and on behalf of the Owners, whether or not the Corporation is in default under this Indenture.

6.05 Defense of Trust Estate. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect its title to the Leased Property and the other property or property rights included the Trust Estate, the assignment of the Trust Estate to the Trustee under this Indenture and all the rights of the Owners under this Indenture against all claims and demands of all Persons whomsoever.

6.06 Inspection of the Leased Property. The Trustee and its duly authorized agents shall have the rights (but shall have no obligation), on reasonable notice to the Corporation and the State, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the Corporation and the State for security purposes). The Trustee and its duly authorized agents, and the State, shall also be permitted (but shall have no obligation), at all reasonable times, to examine the books, records, reports and other papers of the Corporation with respect to the Leased Property. All such inspections are subject to the requirements of Ch. 204, Statutes of Nevada, 2003.

6.07 Insurance or Condemnation Proceeds. In the event insurance or condemnation proceeds arise under the Financing Lease, State must notify Trustee within forty (40) days of receipt of such insurance or condemnation proceeds under the Financing Lease of its intention to use those proceeds to redeem the certificates or rebuild the Financed Facilities.

6.08 Termination of Ground Lease. The State agrees that in the event of a default of the Corporation under the Ground Lease, it may not terminate Trustee's interest under the Ground Lease as an assignee of the Corporation, but may only terminate Corporation's interest in the Ground Lease. The Trustee's rights and interests in the Ground Lease as an assignee of the Corporation shall remain in full force and effect notwithstanding any default by the Corporation or termination of the Corporation's interest in the Ground Lease.

ARTICLE VII DEFAULTS AND REMEDIES

7.01 Events of Default. Any of the following shall constitute an "Event of Default" under this Indenture:

(a) Default in the payment of the principal of any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption.

(b) Default in the payment of any installment of interest with respect to any Certificate when the same shall become due and payable.

(c) The occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease.

(d) Failure by the Corporation or the State to cure any noncompliance with any other provision of this Indenture within 30 days after receiving notice of such noncompliance from the Trustee.

7.02 Remedies on Default.

(a) Upon the occurrence of an Event of Default under the Financing Lease, the Trustee, as assignee of the rights of the Corporation under the Financing Lease may, and at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall, to the extent indemnified as provided herein, without any further demand or notice, take one or any combination of the remedial steps described in the Financing Lease. Trustee as assignee of the Corporation is entitled to possession of the Leased Property in such an Event of Default only for the period specified in the Ground Lease and after such period the Leased Property shall revert to the State.

(b) Upon the occurrence of an Event of Nonappropriation, the Trustee may exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under the Financing Lease. The Trustee may and at the request of the Owners of a majority of the aggregate principal amount of the Certificates then Outstanding shall, without any further demand, exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under the Financing Lease. The Trustee, as assignee of the Corporation, is entitled to possession of the Leased Property in such an Event of Nonappropriation only for the period specified in the Ground Lease and after such period, the Leased Property shall revert to the State.

(c) The Trustee shall be entitled for the benefit of the owners of the Certificates then Outstanding, upon any Event of Default described in Section 7.01(c) hereof, to any moneys in any funds or accounts created hereunder (except the Rebate Fund and any escrow accounts established pursuant to Section 10.01 hereof). In addition, in the circumstances described in Section 4.01, the Trustee shall promptly designate a prepayment date and call the Certificates for prepayment in whole as provided in Section 4.01.

(d) Upon any Event of Default described in Section 7.01(a) or (b) hereof, the Trustee may take whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners, including but not limited to, its rights as assignee of the Corporation's rights under the Ground Lease and the Financing Lease. The Trustee may sell, lease or otherwise transfer any portion of the Trust Estate as it desires to be in the best interests of the Certificate holders and apply the proceeds thereof to making payments thereon when due or under Section 4.01 as the case may be.

(e) No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(f) Subject to Section 7.03 hereof, if any Event of Default under this Indenture shall have occurred and if requested by the Owners of a majority in aggregate principal amount of Certificates then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

(g) The Trustee, as assignee of the rights of the Ground Lease and the Financing Lease, shall control all remedies available to the Corporation under the Ground Lease and the Financing Lease. In addition the Trustee may determine to abandon the Ground Lease, the Financing Lease or both.

7.03 Majority of Owners May Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof.

7.04 Rights and Remedies of Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default under this Indenture has occurred of which the Trustee has been notified as provided in Section 8.02(h) hereof, or of which by Section 8.02(h) hereof it is deemed to have notice, and the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name; and such notification and request are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her, its or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Owner to enforce the payment of the principal of or interest with respect to any Certificate at and after the maturity thereof.

7.05 Purchase of the Leased Property by Owner or Trustee; Application of Certificates Toward Purchase Price. Upon the occurrence of an Event of Default hereunder, the rights of the Trustee to the Leased Property created and vested in the Trustee hereunder may, in addition to all other remedies, may be sold at public auction or by any other manner the Trustee deems reasonable. Upon any such sale, any Owner or the Trustee may bid for and purchase the Leased Property; and, upon compliance with the terms of sale, may hold, retain and possess and dispose of the property interest sold in his, her, its or their own absolute right without further accountability. If the Trustee shall acquire the leasehold interest in the Leased Property as a result of any such sale, or any other proceeding, the Trustee may thereafter sublease such interest in the Leased Property; and may take any further lawful action with respect to that interest in the Leased Property which it shall deem to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set forth in the Financing Lease and this Indenture and the taking of all other courses of action permitted herein or therein.

7.06 Waiver of Appraisalment, Valuation, Stay, Execution and Redemption Laws. The Corporation agrees, to the extent permitted by law, that in case of the occurrence of an Event of Default hereunder, neither the Corporation nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Indenture, or the Financing Lease or the absolute sale of the Trust Estate to the extent permitted hereunder, or the final and absolute surrender of possession, immediately after such sale, to the purchasers; and the Corporation, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the estates comprised in the security intended to be hereby created marshaled upon exercise of the remedies provided herein and agrees that the Trustee may sell the Leased Property as an entirety.

7.07 Trustee May Enforce Rights Without Certificates. All rights of action and claims under this Indenture or any of the Certificates Outstanding hereunder may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Certificates, and any recovery of judgment shall be for the ratable benefit of the Owners, subject to the provisions hereof.

7.08 Trustee to File Proofs of Claim in Receivership. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Leased Property, the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings for the entire amount due and payable with respect to the Certificates under this Indenture, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Owner to file a claim in its own behalf.

7.09 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default hereunder shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

7.10 No Waiver of One Event of Default to Affect Another. No waiver of any Event of Default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon.

7.11 Discontinuance of Proceedings on Event of Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the State, the Trustee and the Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

7.12 Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and notwithstanding anything else to the contrary contained in this Indenture shall do so upon the written request of the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding; provided, however, that there shall not be waived without the consent of the Owners of 100% of the Certificates then Outstanding as to which the Event of Default exists (a) any Event of Default in the payment of the principal with respect to any Outstanding Certificates at the date of maturity specified therein or (b) any Event of Default in the payment when due of the interest with respect to any such Certificates, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal then due (including interest on all overdue installments at the highest rate due with respect to the Certificates), and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default hereunder shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the Trustee, the State and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default hereunder, or impair any right consequent thereon.

7.13 Application of Excess Monies. If an event of Default occurs hereunder and the Trustee exercises its remedies hereunder and as a result thereof all of the Certificate Owners are paid in full as to all principal, interest and redemption premiums, and otherwise made whole for any damages they suffered as a result of such Event of Default, and all fees and expenses of the Trustee are paid in full and thereafter, there remain proceeds from the Trustee's exercise of the remedies granted hereunder, such excess proceeds shall be paid to the State.

7.14 Enforcement by State. The State is hereby granted the right to bring an action to enforce the provisions of this Indenture in the event the Trustee defaults in the performance of its duties hereunder.

ARTICLE VIII CONCERNING THE TRUSTEE

8.01 Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Trustee represents, covenants and warrants that:

(a) The Trustee (i) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America and (ii) is authorized, under its articles of incorporation, the action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture.

(b) The execution, delivery and performance of this Indenture by the Trustee has been duly authorized by the Trustee.

(c) This Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State of Nevada and its governmental bodies of the police

power inherent in the sovereignty of the State of Nevada and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Indenture by the Trustee does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument known to the Trustee to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Indenture or the Financing Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee.

(e) To its knowledge, there is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Indenture.

(f) The Trustee is advised that the Financing Lease will be terminated upon the occurrence of an Event of Nonappropriation thereunder, and that a failure by the State to appropriate funds in a manner that results in an Event of Nonappropriation under the Financing Lease is solely within the discretion of the legislature of the State.

8.02 Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default hereunder and after the curing of all Events of Default which may have occurred under this Indenture, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a reasonable and prudent man would exercise or use under the circumstances in the conduct of the affairs of another.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon an Opinion of Counsel rendered in good faith, and to rely conclusively thereon concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein (except those in Section 8.01) or in the Certificates (except in respect of the execution of the Certificates on behalf of the Trustee), for collecting any insurance moneys or for the validity of the execution by the Corporation and the State of this Indenture, any Supplemental Indenture or any instruments of further assurance, or for the sufficiency of the security for the Certificates executed and delivered hereunder or intended to be secured hereby, or for the value of or title

to the Leased Property. The Trustee shall have no obligation to perform any of the duties of the Corporation under the Financing Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds or early liquidation thereof, made by it pursuant to instructions from the State in accordance with Article V hereof.

(d) The Trustee shall not be accountable for the use of any Certificates delivered to the Initial Purchaser hereunder. The Trustee may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably and in good faith believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate shall be conclusive and binding upon any Certificates executed and delivered in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the State or the Corporation by the State Representative or the Corporation Representative, as the case may be, or such other person as may be designated for such purpose by the State or the Corporation, as the case may be, as sufficient evidence of the facts therein contained.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct (including a breach of fiduciary duty).

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the State to cause to be made any of the payments to the Trustee required to be made by Article III hereof, unless the Trustee shall be specifically notified in writing of such Event of Default by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the Leased Property (subject to such regulations as may be imposed by the Corporation or the State for security purposes), including all books, papers and records of the Corporation pertaining to the Leased Property.

(k) The Trustee shall not be required to give any Certificate or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this

Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.

(m) The Trustee shall not be required to advance or use any of its own funds or otherwise incur any financial liability in the performance of its obligations hereunder or in the exercise of its rights and powers unless it has received assurances and indemnity satisfactory to it against such risks and liabilities.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(o) The Trustee agrees to accept and act upon electronic mail or facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such electronic mail or facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

8.03 Compensation of Trustee. For its services during the Lease Term, the Trustee shall be entitled to \$_____ at the commencement thereof as compensation for its customary administrative services. Miscellaneous Services as defined in the fee schedule dated _____, 2023, and furnished to the Treasurer prior to the date hereof will be billed to the State as incurred. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. The rights of the Trustee to payments pursuant to this Article VIII shall be superior to the rights of the Owners with respect to the Trust Estate and the Trustee shall have a lien therefor on any and all funds, except the Rebate Fund and moneys held for payment of the principal of or interest on particular Certificates after the due dates thereof, at any time held under this Indenture, which lien shall be prior and superior to the lien of the Owners.

8.04 Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving written notice to the State and the Corporation not less than 30 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor qualified as provided in subsection (c) of this Section; provided, however, that if no successor is appointed within 30 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor. The present or any future Trustee may be removed at any time prior to the occurrence of an Event of Default hereunder, by the State for any reason, or at any time by an instrument in writing, executed by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, for any breach of any of the Trustee's duties hereunder. Such removal shall take effect on the appointment of a successor trustee hereunder.

(b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Owners of a majority in aggregate principal amount of the Certificates Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed; provided that the State may, by an instrument executed, appoint a successor until a new successor shall be appointed by the Owners as herein authorized. The State upon making such appointment shall forthwith give notice thereof to each Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the State shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Owners of a majority in aggregate principal amount of the Certificates Outstanding.

(c) Every successor shall be a bank or trust company in good standing, located in or incorporated under the laws of the United States or any State thereof duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder, having a capital and surplus of not less than \$10,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the State and the Corporation an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the State and the Corporation be required by any successor for more fully and certainly vesting in and confirming to it, the said instruments in writing shall, at the reasonable discretion of the State and the Corporation, be made, executed, acknowledged and delivered by the State and the Corporation on request of such successor.

8.05 Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding. In case any of the Certificates to be executed and delivered hereunder shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of such successor Trustee.

8.06 Intervention by Trustee. In any judicial proceeding to which the Corporation or the State is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may intervene on behalf of the Owners and shall do so if requested in writing by the Owners of at least 10% in aggregate principal amount of Certificates Outstanding.

ARTICLE IX SUPPLEMENTAL INDENTURES

9.01 Supplemental Indentures Not Requiring Consent of Owners. The Trustee and the Corporation may, without the consent of, or notice to, the Owners enter into a Supplemental Indenture for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the State or the Corporation contained in this Indenture other covenants and agreements to be thereafter observed by the State or the Corporation;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owners;

(c) to subject to this Indenture additional revenues, properties or collateral (including release and substitution of property);

(d) to set forth the terms and conditions and other matters in connection with the execution and delivery of Additional Certificates, pursuant to Section 2.10 hereof, including Additional Certificates executed and delivered with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;

(e) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes interest with respect to the Certificates; or

(f) to effect any other changes in this Indenture which in the opinion of Special Counsel, do not materially adversely affect the rights of the Owners.

9.02 Supplemental Indentures Requiring Consent of Owners.

(a) The written consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding shall be required for the execution by the Corporation and the Trustee of any Supplemental Indenture other than as provided in Section 9.01; provided, however, that without the consent of the Owners of all the Certificates Outstanding adversely affected thereby nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of prepayment or maturity of the principal amount of or the interest with respect to any Outstanding Certificate, or a reduction in the principal amount of any prepayment of any Outstanding Certificate or the rate of interest with respect thereto, without the consent of the Owner of such Certificate;

(ii) the deprivation as to the Owner of any Certificate Outstanding of the lien created by this Indenture (other than as originally permitted hereby);

(iii) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted herein; or

(iv) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

(b) If at any time the Corporation shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, and consent of all or a portion of the Owners of the Certificates is needed under subsection (a) hereof, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be given electronically or otherwise to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the State and the Corporation following the giving of such notice, the Owners of the required Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee, the State or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

9.03 Execution of Supplemental Indenture. The Trustee is authorized to join with the Corporation in the execution of any Supplemental Indenture entered into in accordance with this Article and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any Supplemental Indenture which affects its rights, duties or immunities under this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such Supplemental Indenture shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates executed and delivered thereafter, if any, if deemed necessary or desirable by the Trustee.

9.04 Amendments of the Financing Lease Not Requiring Consent of Owners. In addition, the State and the Corporation may, with the written consent of the Trustee and, but without the consent of or notice to the Owners, amend, change or modify the Financing Lease or the Ground Lease, as may be required:

(a) by the provisions of the Financing Lease, the Ground Lease or this Indenture;

(b) for the purpose of curing any ambiguity or formal defect or omission in the Financing Lease;

(c) in order more precisely to identify the Leased Property or to add additional or substituted improvements or properties acquired in accordance with the Financing Lease;

(d) in order to provide for the acquisition, construction or installation of additional property under the Financing Lease or the Ground Lease;

(e) in connection with the execution and delivery of Additional Certificates, including Additional Certificates executed and delivered with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof and

Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;

(f) in connection with any Supplemental Indenture permitted by this Article;

(g) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;

(h) to effect any change that (i) does not reduce the revenues available to the Trustee from the Financing Lease below the amount required to make all the payments and transfers required by Article III hereof, (ii) does not materially reduce the value of the Leased Property and (iii) does not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;

(i) to effect any change to any Project permitted by, and in accordance with the terms of, the Financing Lease, any similar lease or agreement relating to any other Project; or

(j) to effect any other changes in the Financing Lease which, in the opinion of Special Counsel or the Trustee, do not materially adversely affect the rights of the Owners.

9.05 Amendments of the Financing Lease or the Ground Lease Requiring Consent of Owners. Except for the amendments, changes or modifications permitted by Section 9.04 hereof, none of the State, the Corporation or the Trustee shall consent to any other amendment, change or modification of the Financing Lease or the Ground Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in Section 9.02 hereof. If at any time the Corporation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Lease, the Trustee shall, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 9.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

9.06 Notices to Rating Agencies. Notice of any Supplemental Indenture or amendment to the Ground Lease or Financing Lease shall be given to any rating agency rating the Certificates at least 15 days before the effective date thereof. In addition, all notices, certificates, or other communications given to the Owners hereunder shall also be given to any rating agency rating the Certificates.

ARTICLE X MISCELLANEOUS

10.01 Discharge of Indenture.

(a) If, when the Certificates secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal of and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, together with all other sums

payable hereunder, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the State and the Corporation to the Trustee and the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall transfer and convey to (or upon the order of) the State all property assigned, pledged or mortgaged to the Trustee by the State and the Corporation then held by the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be reasonably required by the State and shall turn over to (or upon the order of) the State and the Corporation any surplus in any fund, account or subaccount (except the Rebate Fund) created under this Indenture, except any escrow accounts theretofore established pursuant to this Section.

(b) All or any portion of the Outstanding Certificates shall prior to the maturity or prepayment date thereof be deemed to have been paid ("defeased") within the meaning and with the effect expressed in this Section if (i) in case said Certificates are to be prepaid on any date prior to their maturity, the State shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to give notice of prepayment of such Certificates on said prepayment date, such notice to be given on a date and otherwise in accordance with the provisions of Section 4.03 hereof, (ii) there shall have been deposited in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which shall not contain provisions permitting the prepayment thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, shall be sufficient to pay when due the principal of and interest due and to become due with respect to said Certificates on and prior to the prepayment date or maturity date thereof, as the case may be and (iii) a certified public accountant shall have delivered a verification report to the Trustee verifying the deposit described in clause (ii) above to the Trustee. If an agreement to deliver Defeasance Securities in the future (a "Forward Supply Contract") is used in connection with any defeasance under this Indenture, (x) the verification report must expressly state that adequacy of the deposit initially made with the Trustee to accomplish the defeasance relies solely on the initial investments and cash deposited and the maturing principal thereof and interest thereon and does not assume performance under the Forward Supply Contract and (y) in the event of a discrepancy between this Indenture (and any escrow agreement executed in connection with such defeasance) and the Forward Supply Contract, the provisions of this Indenture (and any such escrow agreement) shall be controlling. Neither the Defeasance Securities nor moneys deposited in trust pursuant to this Section or principal or interest payments with respect to any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest with respect to said Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (ii) of this subsection maturing at the times and in amounts sufficient to pay when due the principal of and interest to become due with respect to said Certificates on or prior to such prepayment date or maturity date thereof, as the case may be. At such time as any Certificates shall be deemed paid as aforesaid, such Certificates shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

(c) Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Certificates pursuant to this Section becoming effective, there shall have

been delivered to the State, the Corporation and the Trustee an opinion of Special Counsel, addressed to the State, the Corporation and the Trustee, to the effect that the applicable Certificates have been defeased and are no longer deemed to be outstanding hereunder.

(d) In the event that there is a defeasance of only part of the Certificates of any maturity, the Trustee shall, if requested by the State, institute a system to preserve the identity of the individual Certificates or portions thereof so defeased, regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

10.02 Further Assurances and Corrective Instruments. The State, the Corporation and the Trustee agree that so long as this Indenture is in full force and effect, the State, the Corporation and the Trustee shall have full power to carry out the acts and agreements provided herein and they will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Indenture.

10.03 Financial Obligations of the State and the Corporation Limited to Trust Estate. Notwithstanding any other provision hereof, all financial obligations of the State and the Corporation under this Indenture are limited to the Trust Estate.

10.04 Evidence of Signature of Owners and Ownership of Certificates.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(ii) The fact of the ownership by any person of Certificates and the amounts and numbers of such Certificates, and the date of the ownership of the same, may be proved by the registration records of the Trustee.

(b) Any request or consent of the Owner of any Certificate shall bind all transferees of such Certificate in respect of anything done or suffered to be done by the State, the Corporation or the Trustee in accordance therewith.

10.05 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Corporation, the State, the Trustee and the Owners of the Certificates, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and

all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Corporation or the Trustee shall be for the sole and exclusive benefit of the Corporation, the State, the Trustee and the Owners, and their respective successors and assigns.

10.06 State, Corporation and Trustee Representatives. Whenever under the provisions hereof the approval of the State, the Corporation or the Trustee is required, or the State, the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the State by the State Representative, Corporation by the Corporation Representative and for the Trustee by the Trustee Representative, and the Corporation, the Trustee and the State shall be authorized to act on any such approval or request.

10.07 Titles, Headings. The titles and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.08 Manner of Giving Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed sufficiently given when delivered electronically, or mailed by certified or registered mail, postage prepaid, addressed as follows: if to the State or the Corporation, to the persons and addresses listed in Section 16.2 of the Financing Lease; if to the Trustee, to U.S. Bank Trust Company, National Association, Global Corporate Trust, 2222 E. Camelback Road, Suite 110, Phoenix, AZ 85016 LM-AZ-2597. The entities listed above may, by written notice, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

10.09 No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the State, the Corporation or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the State, the Corporation or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the State, the Corporation or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the State, the Corporation or the Trustee or any natural person executing this Indenture or any related document or instrument.

10.10 Nature of State Obligations; Need for Appropriations. All of the State's obligations under this Indenture are subject to the State lawfully making an appropriation to pay the amount needed to fulfill the obligation and are binding upon the State only to the extent such an appropriation is made. Nothing herein obligates the State to make any such appropriation.

10.11 Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for the performance of any act or the exercising of any right under this Indenture is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture.

10.12 Severability. In the event that any provision of this Indenture, other than the obligation of the State and the Corporation to deliver the Trust Estate to the Trustee, shall be

held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.13 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

10.14 Applicable Law. The laws of the State shall be applied in the interpretation, execution and enforcement of this Indenture. The parties and the State consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Indenture and to exclusive venue in the Nevada state district court in Carson City. The parties and the State waive any immunity from suit based on this Indenture they otherwise may have in any lawsuit brought in Nevada district court in Carson City.

10.15 Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Corporation and the Trustee have executed this Indenture as of the date first above written.

NEVADA REAL PROPERTY CORPORATION

By: _____
Zachary B. Conine, President

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Keith Henselen, Trust Officer

[Signature Page to the Indenture of Trust Capitol Complex Building 1 Project]

STATE OF NEVADA)
) ss.
CARSON CITY)

 This instrument was acknowledged before me on _____ by Zachary
B. Conine as the President of the Nevada Real Property Corporation.

 WITNESS my hand and official seal.

(SEAL)

Notary Public

[Notary Page to the Indenture of Trust Capitol Complex Building 1 Project]

State of _____)
) ss.
_____)

This instrument was acknowledged before me on _____ by Keith
Henselen, Trust Officer of U.S. Bank Trust Company, National Association.

WITNESS my hand and official seal.

[SEAL]

Signature of Notary Public

[Notary Page to the Indenture of Trust Capitol Complex Building 1 Project]

APPENDIX A

FORM OF SERIES 2023 CERTIFICATE

**LEASE REVENUE REFUNDING CERTIFICATE OF PARTICIPATION
(Capitol Complex Building 1 Project) Series 2023**

**Evidencing Assignment of a
Proportionate Undivided Interest in the
Right to Receive Certain Revenues Payable by the**

STATE OF NEVADA

**Under a Lease Purchase Agreement dated as of November 1, 2023 with
NEVADA REAL PROPERTY CORPORATION**

No. _____ \$ _____

<u>Interest Rate:</u>	<u>Maturity Date:</u>	<u>Original Issue</u> <u>Date:</u>	<u>CUSIP</u>
_____ %	_____	_____	_____
	2023		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

THIS CERTIFIES THAT THE REGISTERED OWNER (named above), or registered assigns, has a proportionate undivided interest in rights to receive Base Rent, as described below, pursuant to a Lease Purchase Agreement dated as of November 1, 2023 (which Agreement as from time to time amended is referred to herein as the "Financing Lease"), between the NEVADA REAL PROPERTY CORPORATION, a Nevada nonprofit corporation, as lessor (the "Corporation") and State of Nevada, as lessee (the "State") thereunder. The interest of the Registered Owner of this Lease Revenue Refunding Certificate Of Participation (Capitol Complex Building 1 Project) Series 2023 (this "Certificate") is secured as provided in the Financing Lease and in the Indenture of Trust dated as of November 1, 2023 (which Indenture as from time to time amended is herein referred to as the "Indenture"), between the Corporation and U.S. Bank Trust Company, National Association, as Trustee, or its successor (the "Trustee") for the Registered Owners of the Certificates (the "Certificate Owners"), whereby the rights (with certain exceptions) of the Corporation under the Financing Lease have been assigned by the Corporation to the Trustee for the benefit of the Certificate Owners. Pursuant to the Financing Lease and the Indenture, the Registered Owner hereof is entitled to receive, solely out of and to the extent available from the sources hereinafter identified, on the Maturity Date (stated above) (or earlier as hereinafter provided), the Principal Sum (stated above), and interest thereon as described in the Indenture at the Interest Rate (stated above) and payable semiannually on April 1 and October 1 of each year, commencing April 1, 2024. The principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender of this Certificate at the principal corporate trust office of the Trustee; and interest with respect to this Certificate is payable to the Registered Owner hereof by check or draft of the Trustee to be mailed, or by wire transfer or other electronic means, to

such Registered Owner, on or before each interest payment date (or, if such interest payment date is not a Business Day, as defined in the Indenture, on or before the next succeeding Business Day), at the address of such Registered Owner as it last appears in the registration books kept by the Trustee; provided, however, the Trustee may make payments of interest with respect to this Certificate by such alternate means as may be mutually agreed upon by the Registered Owner hereof and the Trustee, with any cost or expense to be paid by the Registered Owner.

The Certificates are not subject to optional prepayment or mandatory sinking fund prepayment prior to their respective maturities.

The Certificates are subject to prepayment in whole at the prices provided in the Indenture (which may be less than par) in certain events following an Event of Nonappropriation or Event of Default under the Financing Lease.

This Certificate is one of a series of Certificates of Participation (Capitol Complex Building 1 Project) Series 2023 evidencing assignments of proportionate undivided interests in rights to receive certain revenues, as described below, pursuant to the Financing Lease and the Indenture, executed and delivered in an aggregate principal amount of \$_____, pursuant to the Indenture for the purpose of refinancing certain outstanding obligations issued to finance the construction of a five story office building of approximately 120,000 square feet, with associated surface parking adjacent and general landscaping around the building and parking areas. Under the Financing Lease the State has agreed, subject to appropriation as provided therein, to pay directly to the Trustee rental payments (the "Base Rentals") in consideration for its right to use the Leased Property, the proceeds of which are required by the Indenture to be distributed by the Trustee to the payment of the principal of and interest with respect to the Certificates. In addition to the Base Rentals, the State has agreed, subject to appropriation as provided in the Financing Lease, to make certain other payments (the "Additional Rentals") sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the State under the Financing Lease.

The obligation of the State to pay Base Rentals and Additional Rentals under the Financing Lease will terminate in the event that the State, for any reason, fails to budget and appropriate, specifically with respect to the Financing Lease, moneys to pay all Base Rentals and reasonably estimated Additional Rentals during the next occurring fiscal year term of the State. In the event that the Lease Term (as defined in the Financing Lease) is terminated by the State as set forth above (herein referred to as an "Event of Nonappropriation") or is terminated by reason of an Event of Default (as defined in the Financing Lease), the principal amount of this Certificate and interest with respect thereto will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from the leasing of or a liquidation of the interest of the Corporation in the Leased Property.

Under certain circumstances, this Certificate and the interest with respect thereto may also be payable from the Net Proceeds (as defined in the Financing Lease) of title or casualty insurance policies or condemnation awards.

Reference is hereby made to the Financing Lease and the Indenture for a description of the rights, duties and obligations of the State, the Corporation, the Trustee and the Certificate Owners, the terms upon which the Certificates are secured, the terms and conditions upon which the Certificates will be deemed to be paid at or prior to maturity or redemption of the

Certificates upon the making of provision for the full or partial payment thereof, and the rights of the Certificate Owners upon the occurrence of an Event of Default or an Event of Nonappropriation.

NONE OF THE FINANCING LEASE, THE INDENTURE, OR THE CERTIFICATES CONSTITUTES A GENERAL OBLIGATION OR A DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NONE OF THE FINANCING LEASE, THE INDENTURE OR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE STATE TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR ANY FISCAL YEAR IN WHICH THE FINANCING LEASE SHALL BE IN EFFECT. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE CERTIFICATES AND INCOME FROM THE INVESTMENT THEREOF, FROM NET PROCEEDS OF CERTAIN INSURANCE POLICIES AND CONDEMNATION AWARDS, FROM NET PROCEEDS OF THE LEASING OF OR A LIQUIDATION OF THE LEASED PROPERTY OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, THE CERTIFICATES WILL BE PAYABLE DURING THE LEASE TERM SOLELY FROM BASE RENTALS TO BE PAID BY THE STATE UNDER THE FINANCING LEASE. ALL PAYMENT OBLIGATIONS OF THE STATE UNDER THE FINANCING LEASE, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE STATE TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE STATE IN ANY FISCAL YEAR BEYOND A FISCAL YEAR IN WHICH THE FINANCING LEASE SHALL BE IN EFFECT.

THE FINANCING LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT. IN SUCH EVENT, ALL PAYMENTS FROM THE STATE UNDER THE FINANCING LEASE WILL TERMINATE, AND THE CERTIFICATES AND THE INTEREST WITH RESPECT THERETO WILL BE PAYABLE FROM CERTAIN MONEYS, IF ANY, HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ANY MONEYS MADE AVAILABLE BY ACTION OF THE TRUSTEE REGARDING THE LEASED PROPERTY. THE CORPORATION HAS NO OBLIGATION TO MAKE ANY PAYMENTS ON THE CERTIFICATES. NEITHER THE CERTIFICATES, THE FINANCING LEASE NOR THE INDENTURE SHALL GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION.

The Certificates are executed and delivered solely as fully registered Certificates. The Certificates are not transferable except as provided in the Indenture.

The Trustee may waive an Event of Nonappropriation or an Event of Default under certain circumstances as provided in the Financing Lease and the Indenture.

The Indenture permits amendments thereto and to the Financing Lease, upon the agreement of the State and the Trustee and compliance with the other requirements of the Indenture.

Any consent or request by the Registered Owner of this Certificate shall be conclusive and binding upon such owner and upon all future registered owners of this Certificate and of any Certificate executed and delivered upon the transfer of this Certificate whether or not notation of such consent or request is made upon this Certificate.

This Certificate is executed and delivered with the intent that the laws of the State of Nevada shall govern its legality, validity, enforceability and construction.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Financing Lease, until executed on behalf of the Trustee.

IN WITNESS WHEREOF, this Certificate has been executed with the manual signature of an authorized signatory of the Trustee, all as of the date set forth below.

U.S. Bank Trust Company, National Association, as
Trustee

By: _____
Authorized Signatory

Execution Date: November 1, 2023

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

(Please print or type the name and address of the Transferee)

(Tax Identification or Social Security Number)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with the full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution.

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Certificate in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

[End of Form of Certificate]

APPENDIX B
LEGAL DESCRIPTION

APPENDIX C

PERMITTED INVESTMENTS

1. Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. THESE MAY CONSTITUTE DEFEASANCE OBLIGATIONS.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC).
 - Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
 - Senior Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
 - Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks)
 - Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
 - Senior debt obligations
 - Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)
 - Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
 - Financing Corporation (FICO)

- Debt obligations
 - Resolution Funding Corporation (REFCORP)
 - Debt obligations
4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.
 5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.
 6. Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.
 7. Money market funds rated 'AAm' or 'AAm-G' by S&P, or better.
 8. "State Obligations", which means:
 - (a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
 - (b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated 'A-1+' by S&P and 'MIG-1' by Moody's.
 - (c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.
 9. Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:
 - (a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
 - (b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
 - (c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's provided that:

(a) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(b) The Trustee or a third party acting solely as agent therefor or for the Issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) All other requirements of S&P in respect of repurchase agreements shall be met.

(e) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Issuer or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty

insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Certificates;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Issuer and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);

(e) the investment agreement shall provide that if during its term

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee, and

(f) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(g) The investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate.

ATTACHMENT A3

Lease Purchase Agreement CCB1

APN: Portion of 004-022-01

When Recorded, Return To:
Kendra S. Follett, Esquire
Sherman & Howard LLC
50 West Liberty Street, Suite 1000
Reno, NV 89501

LEASE PURCHASE AGREEMENT
CAPITOL COMPLEX BUILDING 1 PROJECT

THIS LEASE PURCHASE AGREEMENT (this "Lease" or "Agreement") is dated as of November 1, 2023, between the Nevada Real Property Corporation, as lessor (the "NRPC" or "Lessor"), and the STATE OF NEVADA, acting by and through the Division of State Lands ("State Lands") of the Department of Conservation and Natural Resources ("CNR" or the "Department"), on behalf of CNR as lessee (collectively the "State" or "Lessee").

WHEREAS, in accordance with NRS 353.500 through 353.630 (the "Act"), CNR proposed the construction and use of a five story office building of approximately 120,000 square feet, with associated surface parking adjacent and general landscaping around the building and parking areas (collectively, the "Financed Facilities," which includes any changes or amendments to the Financed Facilities actually constructed, as permitted in this Lease) and financed the construction with proceeds of the "Lease Revenue Certificates of Participation (Capitol Complex Building 1 Project) Series 2004" (the "2004 Certificates"); and

WHEREAS, the State refinanced the 2004 Certificates with proceeds of the "Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2013" (the "2013 Certificates"); and

WHEREAS, in accordance with the Act, CNR has proposed the refunding (the "Project") of the 2013 Certificates in order to achieve interest rate savings and/or to effect other economies with proceeds of the "Lease Revenue Certificates of Participation (Capitol Complex Building 1 Project) Series 2023" (the "2023 Certificates"); and

WHEREAS, in accordance with NRS 353.550, the Financed Facilities have been constructed, the Legislature has appropriated funds for allocation to CNR for the fiscal year beginning July 1, 2023 and ending June 30, 2024 for allocation to CNR for the payment of a portion of the payments due under a lease-purchase agreement for the Financed Facilities; and

WHEREAS, the Financed Facilities were approved by the Interim Finance Committee on January 28, 2004 (the "IFC"); and

WHEREAS, in accordance with the Act, CNR has submitted this Agreement to the State Treasurer and the State Land Registrar for their review and transmittal to the State Board of Finance; and

WHEREAS, this Agreement has been approved by the State Board of Finance and the lease of the Premises (as defined below) to the NRPC (the "Ground Lease") has been approved by the State Board of Examiners on January 13, 2004, and the State Board of Finance on March 16, 2004; and

WHEREAS, upon the recommendation of the State Treasurer, the provisions of NRS 353.550(1)(d) prohibiting issuance of certificates of participation in this Agreement have been waived by the State Board of Finance upon its finding that waiving such prohibition is in the best interests of the State and complies with federal securities laws; and

WHEREAS, the NRPC is a not-for-profit corporation created for the purpose of financing, acquiring, and leasing projects to the State and its agencies in accordance with the Act; and

WHEREAS, the NRPC is empowered to acquire property, to enter into agreements with the State and State agencies, including the Department, in furtherance of the purposes of the Act, and to acquire, develop, maintain, and finance real property and improvements, including the Financed Facilities, and to lease such property and improvements to the State or its agencies; and

WHEREAS, pursuant to the Act, the State is authorized to enter into lease-purchase and other agreements extending beyond the biennium in which the agreement is executed for the purpose of acquiring improvements to real property if specified conditions are satisfied; and

WHEREAS, nothing herein obligates the Legislature of the State to make appropriations with which to make Rent (as defined herein) payments hereunder and nothing herein obligates the State to this Agreement beyond the period for which an appropriation sufficient to make payments of Base Rent and Additional Rent (as defined herein) has been made by the Legislature;

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the parties agree:

ARTICLE I

DEFINITIONS

In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings given below unless the context clearly requires otherwise:

"Act" shall mean NRS 353.500 through 353.630, as amended and supplemented.

"Additional Rent" means any payments required to be made hereunder in addition to Base Rent including, but not limited to, NRPC Administrative Costs, all required payments of the costs and expenses of the Trustee not paid with proceeds of the Certificates and payments required to be made into the Reserve Fund as provided in the Indenture.

"Authorized Officer," when used:

a. with respect to the Lessee, means the Director or other CNR official who is designated in writing by the Director as a person authorized to act for the Director for the purposes of this Agreement (when acting as an Authorized Officer hereunder, if a state agency or officer's approval of any action hereunder is needed other than the approval of the Director, it shall be the responsibility of the Director to obtain that other approval or consent before taking the action under this Agreement as Authorized Officer);

b. with respect to Lessor, means the President of Lessor or any other or additional officer of Lessor designated in writing by the President of Lessor for the purposes of this Agreement;

c. with respect to any assignee of Lessor, means the one or more officers or other representatives of the assignee designated in writing by such assignee as an Authorized Officer of Lessor for the purposes of this Agreement.

"Base Rent" means the payments, including the principal and interest components of those payments, specified in Exhibit B.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banks in New York, New York, in the location of the offices of the State Controller or State Treasurer, or in the location of the principal corporate trust office of the Trustee, are authorized by law to remain closed.

"Certificates of Participation" or "Certificates" shall mean the certificates evidencing a right to participate in the payments made by Lessee hereunder issued pursuant to the Indenture.

"Certificate Resolution" shall mean the resolution or resolutions of the NRPC, as amended and supplemented, authorizing the issuance of Certificates of Participation.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder.

"Cost of the Project" shall mean any proper and reasonable cost, whether or not specifically mentioned herein, of the Project, including costs, whether incurred by it or another, (1) of evaluating, analyzing and planning; (2) of administrative, accounting, auditing, legal and other general expenses; (3) of fees and expenses of any trustees, depositories, escrow agents and paying agents, legal counsel, financial advisors, underwriters and other costs pertaining to the issuance of the Certificates; and (4) of interest or financing charges incurred to temporarily finance the payment of any cost items described herein.

"Costs of Delivery Account" means the Cost of Delivery Account for the Project described in the Indenture and held by the Treasurer from which the expenses of the Project will be paid.

"Defeasance Obligations" means (1) cash, (2) non-callable direct obligations of the United States of America ("Treasures"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasures are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

"Event of Default" means an Event of Default described in Section 12.1.

"Event of Nonappropriation" means an Event of Nonappropriation described in Section 3.3.

"Financed Facilities" shall mean the leasehold interest in the Premises described in the Ground Lease and improvements thereon and all appurtenances thereto, subject to the encumbrances described in Exhibit A hereto.

"Fiscal Year" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period which may be established hereafter as the Fiscal Year of Lessee for budgeting and appropriation purposes.

"Indenture" means the Indenture of Trust dated as of November 1, 2023 between the NRPC and the Trustee pursuant to which the Certificates will be issued.

"Interest Rate for Advances" means that average of the interest rate per annum announced by the two largest banks in the State, as their "prime rate" or their "base rate" in effect as of any date hereinafter specified.

"Lease" or "Agreement" shall mean this Lease-Purchase Agreement, including any amendments or supplements thereto.

"Lease Payments" or "Rent" shall mean, Base Rent and Additional Rent payable by Lessee in accordance with Article VI with respect to the Project.

"Lease Assignment" means the full and absolute assignment of the Lease by NRPC to the Trustee, including all rights to receive payment hereunder by Lessee as permitted in Section 4.2 hereof.

"Lease Term" shall mean the term of this Agreement as provided in Section 3.2.

"NRPC" or "Lessor" shall mean the Nevada Real Property Corporation, a public not-for-profit corporation, of the State of Nevada.

"NRPC Administrative Costs" shall mean expenses of the NRPC (including reasonable reserves for such expenses) for allocable administration and general expenses of the

NRPC, expenses for maintenance and repairs, insurance premiums, utility charges, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under the Certificate Resolution, bond insurance, guaranty and/or letter of credit fees, interest and finance charges, and any other expenses or contingencies to be paid or provided for by the NRPC, all to the extent properly attributable to the Project and payable by the NRPC. NRPC Administrative Costs shall not include any Cost of the Project or any provision for depreciation, amortization or similar charges or any expenses for maintenance and repairs, utility services or insurance to be paid for or provided by the State.

"Premises" shall mean the real property described in Exhibit A attached hereto and incorporated herein, all improvements thereon, and all appurtenances thereto, subject to the encumbrances described therein.

"Project" shall mean the refunding of the 2013 Certificates, funding the Reserve Fund, if any, and paying the Cost of the Project.

"Redemption Account" means the account created in the Indenture and designated as the "Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023, Redemption Account."

"Trustee" means U.S. Bank Trust Company, National Association, and any successor thereto.

ARTICLE II

EFFECTIVE DATE

Section 2.1 Effective Date. This Agreement shall be effective as of the date stated above upon its execution.

ARTICLE III

LEASE OF PROJECT; TERM OF LEASE

Section 3.1 Lease of the Project. The NRPC hereby leases the Financed Facilities to the State and the State hereby leases the Financed Facilities from the NRPC upon the terms and conditions set forth herein.

Section 3.2 Term of Lease. This Agreement shall be in full force and effect from the effective date hereof for a term expiring on the earlier of:

- (a) April 1, 2031;
- (b) the date this Agreement is terminated by the Lessee as provided in Section 3.3;
- (c) the date on which this Agreement is terminated by Lessor under Section 12.2; or

(d) the date the Lessee acquires the Financed Facilities pursuant to Article 15 hereof.

"Lease Term" shall mean the period between the effective date hereof and the date on which this Agreement terminates (the "Termination Date") as provided in the foregoing sentence.

Section 3.3 Termination Upon Nonappropriation.

(a) Upon enactment by the legislature of a legislative measure constituting a budget appropriation for a Fiscal Year, but in no event later than 15th of July of the Fiscal Year, the Department of Administration shall certify to the Authorized Office of the Lessee that funds have or have not been appropriated for the Fiscal Year in a sufficient amount to prevent termination under paragraph (b). The Authorized Officer of the Lessee will advise the Trustee promptly and in no case later than the first day of August of each Fiscal Year whether funds have been appropriated for the Fiscal Year sufficient to prevent this Lease from terminating under paragraph (b).

(i) No determination of nonappropriation shall be made unless (A) there is a failure of the legislature to appropriate money to the Department for the Financed Facilities in an amount at least equal to payments due pursuant to this Agreement or (B) the legislature by express terms of a statute provides that, of the funds appropriated to the Department for the Financed Facilities, no amount or an insufficient amount is available for payments due pursuant to this Agreement.

(ii) The Lessee shall substantially follow the form attached hereto (Attachment A) in rendering the certification required herein.

(b) This Lease shall terminate as of the first day of October of any Fiscal Year for which funds have not been appropriated for the Lease Payments required under this Lease in an amount sufficient to pay Base Rent (taking into account any credits from capitalized interest as provided in Section 6.2(i) hereof) and reasonably anticipated Additional Rent due in that Fiscal Year. Upon the occurrence of such a termination, Lessee shall not be obligated to make Lease Payments hereunder with respect to the Fiscal Year for which such Termination occurs, but shall be obligated to make payments hereunder with respect to any period prior to the start of such Fiscal Year, to the extent sums have been appropriated for that purpose.

(c) If this Lease is terminated as a result of non-appropriation of funds for Lease Payments required hereunder (an "Event of Nonappropriation"), Lessee shall relinquish to Lessor all of Lessee's rights, title and interest in and to the Financed Facilities. Lessee shall, at the option of Lessor, execute and deliver all such releases, instruments of conveyance or documents as may be necessary or appropriate to evidence and effectuate the aforesaid relinquishment and/or conveyance to Lessor. The provisions of this subsection (c) shall survive the termination, as aforesaid, of this Lease.

(d) As provided in NRS 353.550:

(i) All obligations of the State and any state agency are extinguished by the failure of the legislature to appropriate money for the ensuing Fiscal Year for payments due pursuant to this Agreement;

(ii) This Agreement does not encumber any property of the State or any state agency except for the Financed Facilities that are leased under this Agreement;

(iii) Property of the State of Nevada and of any state agency, except for the Financed Facilities that are leased under this Agreement, must not be forfeited if:

(1) The legislature fails to appropriate money for payments due pursuant to this Agreement; or

(2) The State of Nevada or any state agency breaches this Agreement;

(iv) For the 2023-2025 biennium in which this Agreement is executed, this Agreement does not require payments that are greater than the amount authorized for such payments pursuant to the applicable budget of the state agency.

ARTICLE IV

REFINANCING, ASSIGNMENTS AND FINANCING

Section 4.1 Refinancing of Financed Facilities; Assignment of Contracts.

Pursuant to NRS 353.590, refinancing of the Financed Facilities shall be conducted as specified in this Agreement.

(a) The Lessee, acting on behalf of Lessor, hereby agrees that it will make all contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be necessary, requisite or proper for the Financed Facilities. The Director is responsible for administering the Financed Facilities on behalf of Lessee. The Lessee agrees to comply with all applicable law in connection with the making of contracts for the Financed Facilities. The Lessee and the Lessor further agree, notwithstanding anything to the contrary contained in this Agreement, the Indenture or the Ground Lease, that all plans and specifications for the Financed Facilities shall be entered into, obtained, made or approved, as appropriate, by the Lessee.

(b) The Financed Facilities have been constructed. The Lessee may change the description of the Financed Facilities so long as such changes do not cause the Financed Facilities to be suitable only for purposes other than lawful governmental purposes of the Lessee. So long as this Agreement is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Lessee shall have full power to carry out the acts and agreements provided in this Section, and such power is granted and conferred under this Agreement to the Lessee, and is accepted by the Lessee and shall not be terminated or restricted by act of the Lessor, the Trustee or the Lessee, except as provided in this Section.

(c) All property interests of the State in the improvements constructed as part of the Financed Facilities (including all work in progress, materials, supplies and other personal property being incorporated or to be incorporated into the Financed Facilities) shall be the property of Lessor, subject to the provisions of the Ground Lease.

(d) So long as no Event of Nonappropriation or Event of Default shall occur, and so long as the Lessee's right to control the Financed Facilities has not otherwise been terminated pursuant to subsection (c) hereof, the Treasurer shall disburse moneys from the Costs of Delivery Account in payment of the Cost of the Project. Under the Indenture, the Lessor has authorized and directed the Treasurer to disburse moneys from the Costs of Delivery Account to pay the Cost of the Project as provided herein. The Lessee hereby consents and agrees to such disbursements by the Treasurer.

Section 4.2 Assignments.

(a) Subject only to (i) the prior written consent of the Trustee, if any, and if none, of the Lessor (ii) receipt of written confirmation that the then outstanding ratings of the Certificates will not be adversely affected thereby, and (iii) Lessee's delivery of an opinion of nationally recognized bond counsel that such assignment, transfer, or other disposition will not adversely affect the excludability from gross income for federal income tax purposes of the interest component of Base Rent payments and of the interest with respect to the Certificates, Lessee may assign, transfer, pledge, hypothecate or grant any security interest in or otherwise dispose of this Agreement, or the Financed Facilities, or any interest in this Agreement or the Financed Facilities, inclusive of Lessee's options to purchase granted in Article XV, above. In addition, provided it does not violate Section 11.5 hereof, Lessee may sublease the Financed Facilities or permit it to be operated by anyone other than Lessee, Lessee's employees or persons authorized by Lessee in connection with Lessee's operation and maintenance for the Financed Facilities provided that Lessee continues to be responsible for Lease Payments and all expenses of assignment or subletting.

(b) Lessor shall assign, without recourse, all of its rights, title and interests and responsibilities and obligations in and to this Agreement, the Financed Facilities and any documents executed with respect to this Agreement to the Trustee, pursuant to the Indenture. Upon such an assignment by NRPC, NRPC shall have no further obligations under the Lease. Those assigned rights, title and interest of Lessor may be further assigned, and the assignees may grant or assign a security interest in this Agreement and the Financed Facilities, in whole or in part. Any such assignee shall have all of the rights and obligations of Lessor which are transferred under this Agreement. Upon such assignment, Lessor or its assignee will cause written notice of the assignment to be sent to Lessee and no further action will be required by Lessor or its assignee or by Lessee to evidence the assignment, but Lessee will acknowledge such assignment in writing if so requested. Trustee, as assignee, is a beneficiary of all representations and warranties made by the State in this Agreement and in the Ground Lease.

(c) Lessee acknowledges that Lessor will assign to Trustee, Lessor's rights, title and interest under this Agreement. Such an assignment will be made in order to facilitate the issuance of the Certificates, and Lessee agrees to reasonably cooperate with Lessor in any such Certificate offering. Lessee will make such disclosures as are necessary to comply with

Rule 15c2-12 of the Securities Exchange Commission of the United States, and sign a certificate evidencing such an agreement.

(d) Subject to the preceding subsections, this Agreement inures to the benefit of and is binding upon the successors or assigns of the parties to this Agreement.

Section 4.3 Financing the Project and the Cost of the Project. The NRPC agrees to use its best efforts to have the Certificates promptly issued. All proceeds received from the sale of the Certificates shall be applied to the Project as provided in Section 2.06(b) of the Indenture. Interest earned on proceeds of the Certificates, excluding proceeds in the Redemption Account, shall be applied in the circumstances described in the Indenture to the Cost of the Project or to pay the principal of and interest on the Certificates as provided in the Indenture.

ARTICLE V

USE OF FINANCED FACILITIES

Section 5.1 Use of Financed Facilities. The Financed Facilities may be used by CNR or for any other permitted public uses as may be lawful and in the best interests of the State. The NRPC agrees that the State may enter into such agreements as may be reasonable and appropriate with private persons or companies for the purpose of operating the Financed Facilities provided such agreements do not adversely affect the exclusion of interest on the Certificates of Participation from gross income for purposes of federal income taxation or subject the Financed Facilities to ad valorem property taxes.

ARTICLE VI

RENT

Section 6.1 Payment of Rent. In consideration of the lease of the Financed Facilities, the Lessee shall pay, Rent computed as follows:

(a) As Base Rent, without any set off or deduction whatsoever the amounts shown in the "Total Base Rent" column of Exhibit B, on the date those amounts are due. Such payments shall be made by wire transfer directly to the Trustee, as assignee of Lessor's rights to receive Base Rental payments.

(b) As Additional Rent, the amounts due hereunder in addition to Base Rent. In addition to third parties to whom additional rent is paid, NRPC shall be entitled to receive Additional Rent for its reasonable NRPC Administrative Costs attributable to the Financed Facilities as they become due and are paid by NRPC, as approved by the Director, provided that the legislature has budgeted sufficient funds to pay those expenses. The NRPC will provide to the State an estimate of its NRPC Administrative Costs for each biennium commencing on July 1 of each odd numbered year not later than June 15 of the calendar year preceding the calendar year in which each biennium commences.

Any installment of Rent which is not paid by Lessee on or before the due date thereof shall, from and after said due date, bear interest until paid at the highest rate per annum

attributable to any of the Installments of Base Rent as shown in Exhibit B hereto; time being of the absolute essence of this obligation.

Section 6.2 Credits against Base Rent. There shall be credited against the amount of Base Rent otherwise payable hereunder amounts equal to (i) any earnings or the proceeds of the Certificates that are applied to payment of Base Rent as provided in the Indenture; (ii) any moneys paid as Base Rent as provided in Section 10.1 hereof; and (iii) any moneys otherwise deposited with the Trustee, invested in Defeasance Obligations that mature on or before one or more Base Rent Payment Dates and directed by the Authorized Officer to be applied toward designated amounts of Base Rent (not to exceed the amount available as a result of the maturity of such securities) on those designated Base Rent payment dates. Twenty-five (25) days prior to the date on which any payment of Base Rent is due, the Trustee shall notify the Authorized Officer as to the exact amounts which will be applied in reduction of Base Rent due on such date. If further amounts applicable in reduction of Base Rent accrue during such 25 day period, such amounts shall be applied as a reduction of the next succeeding payment of Base Rent or, if such date is the final payment date, then such accrued amounts shall be applied as a reduction of the final payment of Base Rent. Base Rent is also subject to prepayment in whole or in part by the State if it provides money or Defeasance Obligations to the Trustee sufficient to prepay or defease designated amounts of designated maturities of the Certificates in the time and manner provided in the Indenture together with instructions designating the amounts and maturities to be so prepaid or defeased and specifying the prepayment date or dates, if any, and in such an event, the Base Rent due after such a defeasance or prepayment (which shall consist of an amounts sufficient to timely pay all principal and interest due with respect to the remaining Outstanding (as defined in the Indenture) Certificates) shall be recalculated by the Trustee and an amended Exhibit B shall be provided by Trustee to attach hereto. In addition, in the event of the issuance of Additional Certificates as provided in Section 2.10 of the Indenture, Base Rent due shall be recalculated by the Trustee and an amended Exhibit B shall be provided by Trustee to attach hereto.

Section 6.3 Best Efforts to obtain Appropriation. The State Treasurer and CNR shall use their reasonable best efforts to include sufficient funds to include in the State's budget for that biennium all Lease Payments due in each biennium.

ARTICLE VII

OPERATION AND MAINTENANCE OF THE FINANCED FACILITIES

Section 7.1 Operation, Repairs, and Maintenance. The State shall, throughout the term of this Agreement, at the State's cost and expense, keep and maintain the Financed Facilities and all equipment, fixtures, additions and improvements thereof in good order and condition and shall make all ordinary and necessary repairs, renewals, and replacements with respect to the Financed Facilities.

Section 7.2 Taxes and Utilities. The State shall timely pay all taxes, assessments, costs, expenses, charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Financed Facilities during the term of this Agreement.

Section 7.3 Insurance.

(a) The State shall provide the following insurance for the Financed Facilities and shall include NRPC in its property and liability insurance programs at all times during the Lease Term:

(i) The Financed Facilities shall be insured under property insurance policy at 100% of replacement cost (to the extent such insurance is reasonably available) or included in a self-insurance program with similar protections;

(ii) The State shall also maintain liability insurance for the Financed Facilities (to the extent such insurance is reasonably available) or include the Financed Facilities in a self-insurance program for liability risks;

(b) Insurance policies shall be procured from companies authorized to do business in the State of Nevada and which have an A.M. Best rating of A- VII or better. The State shall include NRPC as a named insured on its liability insurance policy and include NRPC and the Trustee as Additional Insureds as their interest may appear, on its property insurance policy or protect the interests of NRPC and the Trustee to a similar extent through its self-insurance program.

(c) The NRPC and the State hereby release each other from any and all liability or responsibility to the other as to any person claiming through or under either by way of subrogation or otherwise for any loss or damage to property caused by any casualty insured by the above-described insurance coverages, even if the loss is caused by the fault or negligence of the other party or by any party for whom the other party is responsible.

(d) The State shall, by October 1 of each year, certify to the Trustee that it has in effect the insurance coverage described above for the period described in such certificate. If the coverage applies for a period shorter than 12 months, a new certificate indicating that the State has the insurance coverage described above shall be provided in the last month covered by the prior certificate.

Section 7.4 Payments by Lessor. If Lessee fails to pay operation, repair or maintenance expenses or taxes, assessments and other charges as required by Sections 7.1 and 7.2, or to pay insurance premiums or to maintain insurance as required by Section 7.3, Lessor, or Trustee, may (but shall not be obligated to), upon 10 days, advance written notice to Lessee, advance and apply moneys to pay any such required charges or items. Any moneys so advanced shall be payable by Lessee as Additional Rent on written demand therefor and shall bear interest from the date of advancement at the Interest Rate for Advances.

ARTICLE VIII

INDEMNITY

Section 8.1 Indemnification. The State hereby agrees to defend, protect, hold harmless and indemnify the NRPC and its agents, employees, representatives, successors, and assigns (including the Trustee), against all demands, claims, liabilities, causes of action or

judgments, and all loss, expense and damage of any and every sort and kind, including, but not limited to, costs of investigations and attorneys' fees and other costs of defense, for:

- (a) injury to person or property occurring in, upon or about the Financed Facilities or any adjacent or related real property or improvements owned, occupied or controlled by the State or any of its agencies, departments, bureaus or other state governmental entities;
- (b) injury to person or property arising out of the use or occupancy of the Financed Facilities or relating in any manner to operations conducted thereon;
- (c) any other premises liability relating to the Financed Facilities including, without limitation, any environmental liabilities;
- (d) any loss to person or property to the extent of its self-insurance, if any;
- (e) all liability whatsoever arising out of any public or governmental activities of the State of any kind or nature whatsoever; and
- (f) the acceptance and performance of the duties and obligations of the Trustee under the Indenture and any documents related to the 2023 Certificates.

The State's obligation to indemnify the NRPC shall be subject to the limitations set forth in NRS Chapter 41 and this Section 8.1 specifically does not waive the State's limited liability.

ARTICLE IX

ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Section 9.1 Alterations, Additions, and Improvements. The State shall have the right, at any time and from time to time during the term of this Agreement, at the State's costs and expense, to make such repairs, replacements, alterations, additions, expansions and improvements, structural or otherwise, to the Financed Facilities and the furniture, fixtures and equipment thereof, as the State shall deem necessary or desirable in connection with its use of the Financed Facilities. All such repairs, replacements, alterations, additions and improvements shall be of such character as to not materially reduce or otherwise materially adversely affect the value of the Financed Facilities or the rental value thereof and all the costs thereof shall be promptly paid or discharged so that the Financed Facilities shall at all times be free of liens or claims for labor and materials supplied thereto. All repairs, replacements, alterations, additions, fixtures and permanent improvement to the Financed Facilities shall be and become a part of the Financed Facilities and subject to this Agreement.

ARTICLE X

DAMAGE, DESTRUCTION, AND CONDEMNATION

Section 10.1 Damage, Destruction, or Condemnation. In the event of damage, destruction, or condemnation of the Financed Facilities, or any part thereof, the net proceeds of

any insurance or condemnation awards with respect to the Financed Facilities and, to the extent necessary, the proceeds of any additional Certificates of Participation which are issued pursuant to an agreement of the parties hereto, shall be used and applied to repair, restore, rebuild, or replace the Financed Facilities. In case of any damage to or destruction of the Financed Facilities or any part thereof, Lessee will promptly give or cause to be given written notice thereof to Lessor generally describing the nature and extent of such damage or destruction. There shall be no abatement or diminution of Base Rent and Lessee shall, whether or not the net proceeds of insurance, if any, received on account of such damage or destruction shall be sufficient for such purpose, promptly commence and complete, or cause to be commenced and completed, the repair or restoration of the Financed Facilities as nearly as practicable to the value and condition thereof existing immediately prior to such damage or destruction, with such changes or alterations, however, as Lessee may deem necessary for proper operation of the Financed Facilities. The net proceeds of any insurance, self insurance program payments or condemnation available (the "Net Proceeds") shall be held by Trustee. If an Event of Nonappropriation or Event of Default has not occurred Net Proceeds shall applied to the costs of such repair or restoration of the Financed Facilities as such costs are incurred by Lessee, except that Net Proceeds of any lost income or lost rental insurance policies (or such components of insurance policies) shall be applied to payment of Base Rent.

In the event of total destruction or condemnation of the Financed Facilities, so long as an Event of Nonappropriation or Event of Default has not occurred, Lessor and Lessee shall apply Net Proceeds and any other moneys available for the purpose, to the acquisition and installation of replacement facilities to constitute the Financed Facilities, unless Lessee exercises its option to purchase the Financed Facilities pursuant to Article 15.

If an Event of Nonappropriation or an Event of Default has occurred before the receipt of Net Proceeds, the Trustee, acting on behalf of the Lessor, may use such proceeds to improve the Financed Facilities or to make a disbursement as provided in Articles IV and VII of the Indenture, as the Trustee may deem appropriate in the best interests of the Owners (as defined in the Indenture) of the Certificates.

Section 10.2 Eminent Domain. Lessee hereby covenants and agrees that to the extent it may lawfully do so, during the Lease Term, Lessee will not exercise the power of condemnation with respect to the Financed Facilities. Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if Lessee should fail or refuse to abide by such covenant and condemns the Financed Facilities, the appraised value of the Financed Facilities shall not be less than the amount necessary to defease the then outstanding Certificates in accordance with Section 15.3.

ARTICLE XI

PARTICULAR COVENANTS

Section 11.1 Compliance with Laws and Regulations. The State shall, at its own cost and expense, promptly comply with, or cause to be complied with, all laws and ordinances, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the State, the Financed

Facilities or the use or manner of use of the Financed Facilities. The State shall also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Financed Facilities.

Section 11.2 Covenant Against Waste. The State covenants not to do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Financed Facilities and agrees to pay all costs, changes, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Financed Facilities or premises thereof.

Section 11.3 Right of Inspection. The State covenants and agrees to permit the NRPC and its authorized agents and representatives to enter the Financed Facilities at reasonable times during usual business hours for the purpose of inspecting the same, subject to reasonable security requirements and procedures of the State, including Ch. 402.

Section 11.4 Condition of Financed Facilities. The NRPC makes no representation or warranty regarding the condition of the Financed Facilities or land underlying or adjacent thereto and the NRPC shall not be liable for any latent or patent defects in the Financed Facilities. The NRPC agrees, however, to cooperate in enforcing any claims or warranties arising under the Financed Facilities for the benefit of the State.

Section 11.5 Tax Covenants.

(a) Lessee covenants for the benefit of the Lessor and the holders of any Certificates, that it will not take any action or omit to take any action with respect to this Agreement, the proceeds of any such Certificates, any other funds of Lessee or the Financed Facilities if such action or omission (i) would cause the interest component of Base Rent to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause the interest component of Base Rent to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full of Base Rent or the termination of this Lease until the date on which all obligations of Lessee in fulfilling the above covenant under the Code have been met; provided that this covenant does not prohibit Lessee from determining to discontinue making appropriations to pay amounts due hereunder as provided in Section 3.3, and does not apply to any actions or inactions with respect to any periods of time after this Lease is terminated pursuant to Section 3.3. The Lessee makes no covenant with respect to taxation of interest on the interest Component of the Base Rent as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Code).

(b) Lessee covenants and agrees to execute and deliver a tax certificate concurrently with the execution and delivery of any Certificates in form and substance reasonably satisfactory to permit bond counsel to opine that the interest component of Base Rent is excluded from gross income for federal income tax purposes.

Section 11.6 Covenant of Quiet Enjoyment. NRPC covenants that it has full right, power and authority to enter into this Agreement and that, so long as the State shall pay the

Rent and shall duly observe all of its covenants and agreements in this Agreement, the State shall have, hold, and enjoy, during the Lease Term, peaceful, quiet, and undisputed possession of the Financed Facilities.

Section 11.7 Covenant Not to Encumber Financed Facilities. Neither Lessor nor Lessee shall encumber the Financed Facilities in any manner except for

- (a) Permitted encumbrances (as defined below); and
- (b) Encumbrances for the benefit of the Trustee and Certificate owners contemplated in the Indenture.

ARTICLE XII

DEFAULT

Section 12.1 Events of Default.

- (a) The following shall be events of default under this Agreement:
 - (i) Failure by the State to pay Base Rent as the same shall become due for any reason other than an Event of Nonappropriation, or
 - (ii) Lessee's failure to make any other or any other payment pursuant to this Agreement when due for any reason other than an Event of Nonappropriation, and the continuing failure to make such payment for a period of sixty (60) Business Days following receipt of notice of failure to make payment; or
 - (iii) Lessee's failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Agreement, and the failure is not cured within 60 days after written notice of the failure to Lessee, provided that if Lessee proceeds to take curative action that, if begun and prosecuted with due diligence, cannot be reasonably completed within the 60 day period, that period may be extended to any extent necessary to enable Lessee to complete the curative action diligently; or
 - (iv) a receiver, liquidator or trustee shall be appointed for Lessee; or Lessee shall be adjudicated as bankrupt or insolvent; or any petition for bankruptcy or arrangement pursuant to the federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Lessee.
- (b) Notwithstanding the foregoing, if, by reason of Force Majeure (as defined below), Lessee is unable to perform or observe any agreement, term or condition of this Agreement, other than any obligation to make the Lease Payments required under this Agreement, Lessee shall not be deemed in default during the continuance of such inability. However, Lessee shall use its best efforts to remove or diminish the effects thereof, provided that the settlement of strikes or other labor disturbances shall be entirely within the discretion of the Lessee. For the purpose of this subsection, the term "Force Majeure" means, without limitation, the following:

(i) acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or any civil or military authority, other than the State (with respect to Lessee only); insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any other cause, circumstance or event not reasonably within the control of Lessee, as the case may be.

Section 12.2 Remedies.

(a) Upon the occurrence of an Event of Default, and as long as the Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies; provided, however, that there shall be no right under any circumstances to accelerate the maturities of Base Rent payments or to otherwise declare any Base Rent not then past due or in default to be immediately due and payable:

(i) By written notice to Lessee, request Lessee to (and Lessee agrees that it will) promptly return possession of the Financed Facilities to Lessor, and/or, at Lessor's option, Lessor may enter upon the Financed Facilities and take immediate possession thereof, provided, however, Lessee shall be entitled to ten (10) days to vacate the Financed Facilities premises and conduct its affairs during such time without interference by Lessor;

(ii) Terminate this Agreement and the option to purchase granted hereunder and sublease or sell its rights to the Financed Facilities (subject to the Ground Lease).

(iii) Sublease the Financed Facilities for the account of Lessee, holding Lessee liable for all applicable Lease Payments and other payments due during the Lease Term to the effective date of such subleasing and for the difference between the rental and other amounts paid by the sublessee pursuant to such sublease and the amounts payable during the then current Lease Term by Lessee under this Agreement; or

(iv) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, to enforce the terms of this Agreement, or to recover damages for the breach of this Agreement or to rescind this Agreement as to the Financed Facilities.

(b) Lessee will remain liable for all covenants and obligations under this Agreement, and for all legal fees and other costs and expenses to the extent permitted by law, including court costs awarded by a court of competent jurisdiction upon final adjudication, incurred by Lessor with respect to the enforcement of any of the remedies under this Agreement, which liability shall survive any termination of this Agreement.

(c) No remedy conferred or reserved to Lessor by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now

or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair or be construed to be a waiver of any such right or power, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in this Agreement.

(d) If an Event of Default occurs and Lessor incurs expenses, including attorneys' fees and expenses, in connection with the enforcement of or the collection of amounts due under this Agreement, Lessee shall reimburse Lessor for the expenses so incurred upon demand, together with interest thereon from the date of demand for payment at the Interest Rate for Advances.

(e) No failure by Lessor to insist upon strict performance by Lessee of any provision of this Agreement shall constitute a waiver of Lessor's right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by Lessee to observe or comply with any provision of this Agreement.

ARTICLE XIII

SURRENDER OF FINANCED FACILITIES

Section 13.1 Surrender of Financed Facilities. In the event that the State fails to appropriate funds to pay Rent due hereunder or this Agreement is otherwise terminated due to an Event of Default or Event of Nonappropriation, the State shall immediately quit and surrender the Financed Facilities to the NRPC in good condition, ordinary wear and tear excepted.

ARTICLE XIV

LIMITATION ON OBLIGATIONS

Section 14.1 Obligations of the NRPC and the State Limited to Certain Resources. Notwithstanding any other provisions of this Agreement, no obligation assumed by or imposed upon the NRPC by this Agreement shall require the performance of any act by the NRPC except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Certificates of Participation or from other funds legally available to the NRPC to meet the cost and expense of such performance.

No obligation assumed by or imposed upon the State by this Agreement shall require the performance of any act by the State, including, but not limited to, the payment of Rent, except to the extent that funds may be available for such performance or payment from State appropriations or other funds legally available therefor. This Agreement shall not be construed as obligating the Legislature of the State of Nevada to make future appropriations for the payment of Rent or the performance of any other obligations under this Agreement. In the event that appropriated funds are not legally available for payment of Rent or other obligations hereunder, then this Agreement shall be terminated. The liability of the State for payment of

Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Financed Facilities.

ARTICLE XV

RIGHT TO PURCHASE

Section 15.1 Right to Purchase. At any time following the Effective Date stated in Section 2.1, if there is not then existing an Event of Default which would not be cured or remedied by the payments provided for in this Section, Lessee, upon five (5) days' prior written notice to the Lessor and Trustee, has the right to purchase the Financed Facilities on any date by paying to Trustee the amount necessary to defease Base Rent due under this Lease pursuant to Section 15.3. Thereafter, upon payment of that purchase price, Lessor and Trustee shall convey all their right, title and interest in the Financed Facilities to Lessee, in accordance with Section 15.2. If Lessee has paid all of Base Rent hereunder listed on Exhibit B and all Additional Rent due, and this Agreement terminates pursuant to Section 3.2(a) hereof, Lessee shall be deemed to have exercised its option to purchase the Financed Facilities unless it otherwise notifies Lessor and Trustee in writing.

Section 15.2 Transfer of Title.

(a) Upon Lessee's exercise of the purchase option granted in Section 15.1, the Financed Facilities shall become the property of Lessee unencumbered by this Agreement and all of Lessor's right, title and interest in the Financed Facilities shall pass to Lessee or at its direction, to its designee. In such case, Lessor and its assignee, if any, or both, as the case may be, agree to execute such instruments and do such things as Lessee's reasonably requests, all at the expense of Lessee, in order to effectuate transfer of any and all of Lessor's right, title and interest in the Financed Facilities to Lessee or its designee. Unless otherwise directed in writing by Lessee, title shall be vested in "the State of Nevada acting by and through the Department of Conservation and Natural Resources."

(b) Upon any transfer of title hereunder the transferor's interest in the Financed Facilities shall be conveyed free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights-of-way of record, leases or other tenancy agreements and other matters of record, except (i) the lien with respect to current taxes, not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything of record or not of record that in any way affects title to the Financed Facilities resulting from acts or omissions of Lessee or consented to by Lessee, (iv) any liens and encumbrances now existing listed on Exhibit A, or placed on the Financed Facilities during the Lease Term by Lessee and Lessor jointly or otherwise expressly allowed by Lessor and Lessee in writing, (v) easements and rights of way granted by the State pursuant to paragraph 5 of the Ground Lease, and (vi) any defects in title, covenants, conditions, restrictions, easements, rights-of-way of record listed in Exhibit A hereto (the items described in clauses (i), (ii), (iv), (v) and (vi) above are herein "Permitted Encumbrances").

Section 15.3 Defeasance.

(a) All Base Rent will be deemed to be paid when:

(i) money or Defeasance Obligations or a combination thereof which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient moneys to pay when due the principal and interest on and any other payments (including redemption premiums) in connection with all then outstanding Certificates to the final maturity date thereof or to a date on which such Certificates have been called for prior redemption is irrevocably deposited in trust with a commercial bank with trust powers and irrevocably set aside exclusively to make such payments, and

(ii) all reasonable, necessary and proper fees, compensation and expenses of Trustee pertaining to the Lease and Trustee's duties in connection therewith and with the Certificates are paid or provided for to the satisfaction of Trustee.

(b) When all Base Rent is deemed paid, as provided above, and Trustee has received the written legal opinion of nationally recognized bond counsel to the effect that the deposit of money or Defeasance Obligations in trust will not cause the interest components of Base Rent, thereafter payable from those sources, to be subject to federal income tax under the Code, Lessor (and any Certificate holder) will be entitled to payment of that Base Rent solely from that money or the proceeds of those Defeasance Obligations and the right, title and interest of Lessor and Trustee under this Agreement as to the Financed Facilities shall then cease, terminate and become void, and Lessee, or its designee shall succeed to all right, title and interest in the Financed Facilities, subject however, to any requirements which shall survive any such termination. The Lessor shall then execute such instruments and undertake all such acts, all at the expense of Lessee including, without limitation, recording fees, transfer taxes if applicable, and reasonable attorneys' fees to evidence transfer of all remaining title interest in the Financed Facilities to Lessee or Lessee's designee.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Pledge of Rent, Approval of Indenture. It is expressly understood and agreed by the parties hereto that the NRPC will pledge and assign Base Rent and its rights and interest under this Agreement to the Trustee under the Indenture. The form of the Indenture has been provided to Lessee and Lessee hereby approves the Indenture and agrees to the provisions therein that apply to the State.

Section 16.2 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the second business day following the day on which the same are mailed by electronic mail or certified mail, postage prepaid, addressed as follows:

(a) If to the State, to each of the following:

(i) to the State Treasurer, 101 N. Carson, #4, Carson City, Nevada 89701;

(ii) to State Lands, to the attention of the Administrator, 901 S. Stewart Street, Suite 5003, Carson City, Nevada 89701-5246;

(b) If to the NRPC, to the attention of President, Nevada Real Property Corporation, 101 N. Carson, #4, Carson City, Nevada 89701.

The State or the NRPC may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notice may be also given by personal delivery of a written notice if to the State by serving the written notice upon the Treasurer, the Director and the Administrator or if to the NRPC by serving the written notice upon its President.

Section 16.3 Severability. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 16.4 Attorney Fees. In the event either party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

Section 16.5 Headings. The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

Section 16.6 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16.7 Amendments. The NRPC and the State shall not, without the written consent of the Trustee as provided in the Indenture, consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Agreement which will reduce the payments required to be made by the State hereunder or which will in any manner materially impair or adversely affect the rights of the NRPC hereunder, and any action by the NRPC or the State in violation of this covenant shall be null and void as to the NRPC and the State.

Section 16.8 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Agreement and to exclusive venue in the Nevada state district court in Carson City. The parties waive any immunity from suit based on this Agreement they otherwise may have in any lawsuit brought in Nevada district court in Carson City.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed as of the day and year first hereinabove set forth.

NEVADA REAL PROPERTY CORPORATION

By _____
Zachary B. Conine, President

STATE OF NEVADA:
By the Division of State Lands of the Department of
Conservation and Natural Resources

By _____
Charles Donohue, Administrator

Executed by the Governor of the State of Nevada

Joe Lombardo, Governor

[Signature Page to Lease Purchase Agreement Capitol Complex Building 1 Project]

STATE OF NEVADA)
) ss.
_____)

This instrument was acknowledged before me on _____ by Zachary B. Conine as
President of the Nevada Real Property Corporation.

(SEAL)

Notary Public

[Notary Page to Lease Purchase Agreement Capitol Complex Building 1 Project]

STATE OF NEVADA)
) ss.
_____)

 This instrument was acknowledged before me on _____ by Charles Donohue, as
Administrator of the Division of State Lands of the Department of Conservation and Natural
Resources.

(SEAL)

Notary Public

[Notary Page to Lease Purchase Agreement Capitol Complex Building 1 Project]

STATE OF NEVADA)
) ss.
_____)

This instrument was acknowledged before me on _____ by Joe Lombardo as Governor of
the State of Nevada.

(SEAL)

Notary Public

[Notary Page to Lease Purchase Agreement Capitol Complex Building 1 Project]

EXHIBIT A

(insert legal description and title exceptions)

A portion of the Adjusted Children's Home Parcel, as shown on the Record of Survey Map to Support a Boundary Line Adjustment for State of Nevada, Division of State Lands, File No. 1967 of the Carson City Public Works Office, within a portion of the Southwest one-quarter of Section 17, Township 15North, Range 20 East, M.D.M., Carson City, Nevada, and more particularly described as follows:

Commencing at a point on the centerline of Stewart Street, Highway Station "B" 10+00.00 as shown on said Record of Survey; thence along said centerline, North 00°13'30" East, 660.66 feet; thence South 89°46'30" East, 33.00 feet to a point on the Easterly right-of-way line of said Stewart Street; thence along said Easterly line, South 00°13'30" West, 133.37 feet to the TRUE POINT OF BEGINNING; thence North 90°00'00" East, 209.54 feet to a point on the Southerly prolongation of the Easterly line of the Carson City Fire Station Headquarters Parcel as shown on said Record of Survey; thence along said prolongation, North 00°07'15" East, 159.68 feet; thence North 90°00'00" East, 145.86 feet; thence South 00°00'00" East, 686.76 feet to a point on the Northerly right-of-way line of Little Lane; thence along said Northerly line, North 89°52'45" West, 337.67 feet; thence along said Northerly line, 31.45 feet along the arc of a curve to the right having a central angle of 90°06'16" and a radius of 20.00 feet and having a chord of North 45°04'07" West, 28.31 feet, to a point on the Easterly right-of-way line of said Stewart Street; thence along said Easterly line, North 00°13'30" East, 506.38 feet to the POINT OF BEGINNING.

This legal description was prepared by:

John Cash, P.L.S.

MACTEC Engineering and Consulting

1572 East College Parkway, Suite 162

Carson City, Nevada 89706

Title Exceptions:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens, or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. (a) Unpatented mining claims; (b) Reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) Water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

Part Two:

1. Water rights, claims or title to water, whether or not shown by the public records.

2. Any taxes that may be due, but not assessed, for new construction which can be assessed on the unsecured property rolls, in the office of the County Assessor, per Nevada Revised Statute 361.260.

3. The property herein described is currently exempt from Carson City County Real Property Taxes, however, upon transfer to a non-exempt entity, taxes will be assessed for the remainder of the current year. Assessor's Parcel Number: 004-022-01

4. Any lien which may be levied by the Carson City Utilities by reason of said land lying within its boundaries.

5. Easements, dedications, reservations, provisions, relinquishments, recitals, certificates, and any other matters as provided for or delineated on Record of Survey Map #1967 referenced in the legal description contained herein. Reference is hereby made to said plat for particulars.

6. A document entitled "ELECTRIC LINE EXTENSION AGREEMENT", executed by and between SIERRA PACIFIC POWER COMPANY and CARSON CITY, recorded April 6, 1993, in Book N/A as Instrument No. 142211 of Official Records.

EXHIBIT B

Payment		Principal	Interest	Total Base
Due	Interest	Base Rent	Base Rent	Rent
Date	Rate	Due	Due	Due

Payment		Principal	Interest	Total Base
Due	Interest	Base Rent	Base Rent	Rent
Date	Rate	Due	Due	Due
<hr/>				

ATTACHMENT A

[On Department of Administration letterhead]

Date:

To: The Authorized Officer of the Lessee

From: STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

Subject: Certification that sufficient funds have/have not been appropriated for Fiscal Year _____ for Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023 ("the Project")

Pursuant to subsection 3.3(a) of the Lease Purchase Agreement ("LPA") relating to the Project, the undersigned hereby certifies as follows (check one):

☐ That funds have been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement ("LPA") pursuant to paragraph b of subsection 3.3 thereof.

☐ That funds have **not** been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement ("LPA") pursuant to paragraph b of subsection 3.3 thereof. Check, as applicable:
_____ the Legislature did not appropriate money to the Department of Conservation and Natural Resources for the Financed Facilities (as defined in the LPA) in an amount at least equal to payments due pursuant to this Agreement

_____ the legislature, by express terms of a statute, provided that, of the funds appropriated to Department of Conservation and Natural Resources for the Financed Facilities, no amount or an insufficient amount shall be available for payments due pursuant to this Agreement.

Department of Administration

Dated: _____

By: _____

Name:

Title:

ATTACHMENT B1

NRPC Resolution Casa Grande

RESOLUTION OF NEVADA REAL PROPERTY CORPORATION
RELATING TO THE CASA GRANDE PROJECT BY ISSUANCE
OF LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION (CASA
GRANDE PROJECT) SERIES 2023

WHEREAS, the Nevada Real Property Corporation (the "Corporation") desires to assist the State of Nevada (the "State") in the proposed refinancing of a facility used as a detention facility for the State Department of Corrections (the "Casa Grande Project"); and

WHEREAS, the State has entered into a ground lease (the "Ground Lease") whereby the State has leased to the Corporation certain property (the "Premises") on which the Casa Grande Project and related improvements have been constructed; and

WHEREAS, the State proposes to enter into a lease-purchase agreement (the "Lease Purchase Agreement") whereby the State will lease from the Corporation the Premises, the Casa Grande Project and related improvements (the "Project"); and

WHEREAS, the Corporation proposes to refinance the costs of the Project by issuing its Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023 (the "2023 Certificates") in accordance with the proposed Indenture of Trust (the "Indenture") and as described in the Preliminary Official Statement (the "POS"); and

WHEREAS, the proposed Lease Purchase Agreement, the Indenture, the Disclosure Dissemination Agent Agreement and the POS (collectively, the "Financing Documents") have been or will be reviewed and approved by the State as required by NRS 353.500 to 353.630, inclusively, and the provisions of paragraph (d) of subsection 1 of NRS 353.550 have been or will be waived thereby prior to the issuance of the 2023 Certificates on behalf of the State; and

WHEREAS, the Financing Documents have been filed with the Board of Directors of the Corporation;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NEVADA REAL PROPERTY CORPORATION:

Section 1. That the Financing Documents, in the forms presented with such changes as may be approved by the President of the Corporation whose execution of such documents shall be conclusive evidence of such officer's approval of any such changes, are hereby approved. The President and Secretary are hereby authorized to execute and deliver the Financing Documents on behalf of the Corporation.

Section 2. That the preparation and distribution of the POS is hereby approved, ratified and confirmed. That the President is hereby authorized to approve an Official Statement pertaining to the 2023 Certificates conforming generally to the POS and the distribution thereof is hereby approved. The President or such officer's designee is authorized to deem the POS to be a "final" official statement on behalf of the Corporation for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 3. That the President and Secretary are hereby authorized to approve, authorize and execute such other documents as may be necessary or appropriate to implement the transactions contemplated by the Financing Documents.

Section 4. This Certificate Resolution shall be effective September 14, 2023.

President
Nevada Real Property Corporation

ATTACHMENT B2

Indenture of Trust Casa Grande

APNs: 162-31-504-006
And 162-31-504-023

When Recorded, Return To:
Kendra S. Follett, Esquire
Sherman & Howard LLC
50 West Liberty Street, Suite 1000
Reno, NV 89501

INDENTURE OF TRUST

between

NEVADA REAL PROPERTY CORPORATION,

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

as Trustee

Dated as of November 1, 2023

LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION
(CASA GRANDE PROJECT) SERIES 2023

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THIS INDENTURE OF TRUST (this "Indenture") is dated as of November 1, 2023, and is entered into between the **NEVADA REAL PROPERTY CORPORATION**, a nonprofit corporation duly organized and validly existing under the laws of the State of Nevada, as grantor (the "Corporation"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Corporation (a) is a nonprofit corporation that is duly organized, validly existing and in good standing under the laws of the State of Nevada (the "State"), (b) is duly qualified to do business in the State and (c) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to grant the Trust Estate (defined herein) to the Trustee and to execute, deliver and perform its obligations under this Indenture; and

WHEREAS, the Trustee (a) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America and (b) is authorized, under its articles of association, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture;

WHEREAS, the Corporation, as lessor, and the State as lessee, have entered into a Lease Purchase Agreement dated as of November 1, 2023 (the "Financing Lease") pursuant to which the Corporation has leased certain property (as defined herein, the "Leased Property") to the State and the State has agreed to pay Base Rent and Additional Rent (as defined in the Financing Lease), subject, in each case, to the terms of the Financing Lease; and

WHEREAS, the site of the Leased Property (the "Land"), is leased to the Corporation pursuant to the Ground Lease dated as of October 14, 2004 (the "Ground Lease") between the Corporation and the State, and thereafter subleased to the State by the Corporation under the Financing Lease; and

WHEREAS, the Trustee has previously delivered "Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2013" (the "2013 Certificates"); and

WHEREAS, the State has requested that the Trustee authenticate and deliver "Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023" (the "2023 Certificates") in order to refund the 2013 Certificates for interest rate savings and/or to effect other economies; and

WHEREAS, the 2023 Certificates shall evidence undivided interests in the right to receive Base Rent, shall be payable solely from the Trust Estate (defined herein), and no provision of the Certificates, this Indenture, the Financing Lease or the Ground Lease shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in

any Fiscal Year (defined herein) in excess of amounts appropriated for such Fiscal Year; (b) obligating any appropriation by the State or other financial obligation whatsoever of the State; or (c) as a delegation of governmental powers by the State; and

WHEREAS, the 2023 Certificates and any Additional Certificates issued pursuant hereto (as defined herein) (collectively, the "Certificates") shall be special, limited obligations payable solely from the Trust Estate (defined herein) on the terms provided herein; and

WHEREAS, the Trustee has entered into this Indenture for and on behalf of the Owners (defined herein), and will, except as otherwise specifically provided herein, hold its rights hereunder, including its rights with respect to the Trust Estate, for the equal and proportionate benefit of the Owners, and will disburse moneys received by it in accordance with this Indenture; and

WHEREAS, the Assignment made herein by the Corporation to the Trustee of the Trust Estate is without recourse to the Corporation and the parties acknowledge that neither the Trustee nor any person claiming through the Trustee shall have any recourse or rights against the Corporation under the Ground Lease or the Financing Lease; and

WHEREAS, all things necessary to make the Certificates, when executed, delivered and authenticated by the Trustee and as in this Indenture provided, legal, valid and binding obligations enforceable against the Corporation and the Trustee in accordance with terms thereof, and to constitute this Indenture a legal, valid and binding instrument for the security of the Certificates in accordance with the terms hereof, have been done and performed;

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Corporation, in consideration of the premises and the mutual covenants herein contained and for the benefit of the Owners, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on all Certificates at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Certificates and herein contained, and to declare the terms and conditions upon and subject to which the Certificates are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, warranted, mortgaged, alienated, remised, released, conveyed, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, mortgage, alien, remise, release, convey, assign, pledge, set over and confirm unto the Trustee and to its successors and assigns forever, without recourse, all and singular the following described property, franchises and income, including any title therein acquired after these presents:

(a) the Leased Property and the tenements, hereditaments, appurtenance, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the

Financing Lease including, but not limited to, the terms of the Financing Lease permitting the existence of Permitted Encumbrances (as defined in the Financing Lease);

(b) all rights, title and interest of the Corporation in, to and under the Ground Lease;

(c) all rights, title and interest of the Corporation in, to and under the Financing Lease, other than the rights, title and interest of the Corporation with respect to certain payments or reimbursement to the Corporation thereunder for its costs, fees and expenses;

(d) all Base Rent and Additional Rent (defined in the Financing Lease);

(e) the purchase price specified in Section 15.1 of the Financing Lease (the "Purchase Option Price") if paid; and

(f) all money and securities from time to time held by the Trustee under this Indenture in the Debt Service Fund, the Reserve Fund and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specially mortgaged, pledged or hypothecated, as and for additional security hereunder, by the Corporation, or by anyone on its behalf, in favor of the Trustee, (including all monies, proceeds on other things of value received from leasing, renting or selling or otherwise transferring any portion of the Trust Estate as provided herein after an Event of Default) which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

SUBJECT, HOWEVER to:

(a) the Corporation's retention of its rights to indemnification and payment of its expenses under the Financing Lease;

(b) the rights of third parties to Additional Rentals payable to them under the Financing Lease;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Owners, without privilege, priority or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates, except as otherwise provided herein;

PROVIDED, HOWEVER, that if the principal of the Certificates and the interest due or to become due thereon, shall be paid at the times and in the manner mentioned in the Certificates, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted

shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Certificates secured hereunder are to be executed, authenticated and delivered and all said property, rights, interests, revenues and receipts hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee for the benefit of the Owners, as follows:

ARTICLE I DEFINITIONS

The following terms shall have the following meanings in this Indenture:

"Additional Certificates" means any Certificates issued after the issuance of the 2023 Certificates pursuant to Section 2.10 hereof.

"Additional Rent" or *"Additional Rentals"* means "Additional Rent" as such term is defined in the Financing Lease.

"Base Rent" or *"Base Rentals"* means "Base Rent" as such term is defined in the Financing Lease.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banks in New York, New York, in the location of the offices of the State Controller or State Treasurer, or in the location of the principal corporate trust office of the Trustee, are authorized by law to remain closed.

"2023 Certificates" means the certificates authorized by Section 2.03 hereof.

"Certificates" means the 2023 Certificates and any Additional Certificates.

"Code" means the Internal Revenue Code of 1986, as amended to the date of issuance of the 2023 Certificates.

"Corporation" means Nevada Real Property Corporation, or any successor thereto.

"Corporation Representative" means the President of the Corporation, any director, officer or any other representative who is designated in writing by the President, any director or officer as a person authorized to act for the President for the purposes of this Indenture.

"Costs" or *"Costs of the Project"* means, with respect to each Project and the Certificates issued to finance such Project, all costs and expenses to be incurred, and the reimbursement to

the State and the Corporation for all costs and expenses heretofore incurred by the State and the Corporation, including, without limitation:

- (a) the Cost of the Project (as defined in the Financing Lease);
- (b) payments to the Reserve Fund or any account thereof to establish or maintain the Reserve Fund Requirement;
- (c) the Costs of Delivery; and
- (d) any and all other costs necessary to effect the Project or to acquire or improve any Leased Property to the extent the same are permitted by the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates.

"*Costs of Delivery*" means administrative costs of the execution and delivery of any Certificates, including but not limited to the initial compensation and expenses of the Trustee prior to the date of delivery of the 2023 Certificates, any fees and expenses of any underwriter or financial advisor that provides services in connection with the execution and delivery of any 2023 Certificates, any fees or expenses of the State and the Corporation in connection with the execution and delivery of any 2023 Certificates, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, 2023 Certificate insurance premiums, costs of immediately available funds, costs of publication, printing and engraving, accountants' fees and recording and filing fees.

"*Costs of Delivery Account*" means the special account held by the State Treasurer and discussed in Section 3.03 hereof.

"*Debt Service Fund*" means the special fund created pursuant to Section 3.01 hereof.

"*Defeasance Securities*" means (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

"*Event of Default*" means (a) when used with respect to the Financing Lease, an event described in Section 12.1 thereof and (b) when used with respect to this Indenture, an event described in Section 7.01 hereof.

"*Event of Nonappropriation*" means, when used with respect to the Financing Lease, an event resulting in the termination of the Financing Lease described in Section 3.3 of the Financing Lease.

"*Financed Facilities*" means the construction and improvement of a facility to be used as a detention facility for the State Department of Corrections.

"*Financing Lease*" means the Lease Purchase Agreement dated as of November 1, 2023 between the Corporation and the State and any amendment or supplement thereto.

"*Fiscal Year*" means the State's fiscal year, which begins on July 1 of each calendar year and ends on June 30 of the following calendar year.

"*Fitch*" means Fitch Ratings, Inc. and its successors and assigns.

"*Indenture*" means this Indenture of Trust and any amendment or supplement hereto.

"*Initial Purchaser*" means (a) with respect to the 2023 Certificates, the initial purchaser of the 2023 Certificates on the date of delivery thereof, and (b) with respect to any Additional Certificates, the purchasers designated as such in any Supplemental Indenture.

"*Interest Component*" means with respect to each payment of Base Rent, that portion of the Base Rent so designated in Exhibit B of the Financing Lease.

"*Interest Payment Date*" means April 1 and October 1 of each year, (a) beginning on April 1, 2024 with respect to the 2023 Certificates and (b) beginning on April 1 or October 1 specified in the Supplemental Indenture entered into in connection with such Certificates with respect to any Additional Certificates.

"*Land*" means the Land described in Appendix B hereto, which is the same land that is leased by the Corporation to the State pursuant to the Financing Lease.

"*Lease Revenues*" means (a) the Base Rentals; (b) the Purchase Option Price, if paid; (c) any Net Proceeds; (d) any portion of the proceeds of any Certificates deposited with or by the Trustee in the Debt Service Fund to pay accrued interest on the Certificates; (e) any earnings on moneys on deposit in the Debt Service Fund and Reserve Fund; (f) all other revenues derived from the Financing Lease, excluding Additional Rentals (other than Reserve Fund payments made to the Trustee pursuant to Section 3.02(e) hereof); and (g) any other moneys to which the Trustee may be entitled for the benefit of the Owners.

"*Lease Term*" has the meaning ascribed to it in the Financing Lease.

"*Leased Property*" means the Land and the Financed Facilities and any other property that may be defined as part of the Leased Property by any Supplemental Indenture.

"*Moody's*" means Moody's Investors Service and its successors and assigns.

"*Net Proceeds*," when used with respect to the Leased Property, has the meaning ascribed to it in the Financing Lease.

"*Operations Center*" means the operations center of the Trustee in St. Paul, Minnesota.

"*Opinion of Counsel*" means a written opinion of legal counsel, who may be counsel to the Trustee or the Corporation or the State

"*Outstanding*" means all Certificates which have been executed and delivered, except:

(a) Certificates canceled or which shall have been surrendered to the Trustee for cancellation;

(b) Certificates in lieu of which other Certificates have been executed under Section 2.07 or 2.08 hereof;

(c) Certificates which have been prepaid as provided in Article IV hereof (including Certificates prepaid on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the prepayment date as provided in Section 4.01 hereof);

(d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to Section 3.06 hereof; and

(e) Certificates which are otherwise deemed discharged pursuant to Section 10.01 hereof.

"*Owner*" of a Certificate means the registered owner of any Certificate as shown in the registration records of the Trustee.

"*Person*" means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

"*Permitted Encumbrances*," when used with respect to the Leased Property, has the meaning ascribed to it in the Financing Lease.

"*Permitted Investments*" means any security or other obligation that (i) is a legal investment of funds of the State under NRS Section 355.140 and (ii) is listed on Appendix C hereto.

"*Principal Component*" means with respect to each payment of Base Rent, that portion of the Base Rent so designated in Exhibit B of the Financing Lease.

"*Project*" means the payment, refunding and discharge of the outstanding 2013 Certificates by depositing a portion of the proceeds of the 2023 Certificates, together with other available moneys, with the trustee for the 2013 Certificates, the costs of funding the Reserve

Fund, if any, and the payment of expenses incidental thereto, as provided in the Lease and the Indenture and any other project that may be defined as a Project by any Supplemental Indenture.

"Purchase Option Price" is the price provided in Section 15.1 of the Financing Lease.

"Qualified Surety Bond" means a surety bond issued by an insurance company rated in the highest rating category by S&P, Moody's and Fitch.

"Rebate Fund" means the special fund created pursuant to Section 3.05 hereof.

"Record Date" means, with respect to each Interest Payment Date, the fifteenth day of the month immediately preceding the month (whether or not a Business Day) in which the Interest Payment Date occurs.

"Redemption Account" means the account created herein and designated as the "Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023, Redemption Account."

"Refunded Certificate Requirements" means the payment of (i) the interest due on the 2013 Certificates, both accrued and not accrued, as the same becomes due on the date of delivery of the 2023 Certificates and on their redemption date; and (ii) the principal of the 2013 Certificates upon prior redemption on their redemption date.

"Requirement of Law" means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety matters.

"Reserve Fund" means the special fund created pursuant to Section 3.02 hereof.

"Reserve Fund Requirement" means for the 2023 Certificates \$0 and for any series of Additional Certificates for which a deposit to the Reserve Fund may be required, which shall not exceed the lesser of (i) 10% of the stated principal amount of such Certificates, (ii) the maximum debt service due on the then outstanding amount of such Certificates in any Fiscal Year and (iii) 125% of the average Fiscal Year debt service due on the then outstanding amount of such Certificates.

"Special Counsel" means (a) as of the date of issuance of the 2023 Certificates, Sherman & Howard, LLC and (b) as of any other date, Sherman & Howard, LLC, or such other attorneys selected by the State with nationally recognized expertise in the issuance of municipal obligations.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with Section 2.02 hereof.

"*State*" means the State of Nevada, acting by and through the Division of State Lands of the Department of Conservation and Natural Resources (the "Department" or "CNR") on behalf of the Department of Corrections.

"*State Representative*" means the State Treasurer (the "Treasurer"), a deputy of the Treasurer or any other person who is designated in writing by the Treasurer or a deputy as a person authorized to act for the Treasurer for the purposes of this Indenture (when acting as a State Representative hereunder, if a state agency or officer's approval of any action hereunder is needed other than the approval of the Treasurer, it shall be the responsibility of the Treasurer or a deputy to obtain that other approval or consent before taking the action under this Indenture as a State Representative).

"*Supplemental Indenture*" means any indenture supplementing or amending this Indenture that is adopted pursuant to Article IX hereof.

"*S&P*" means S&P Global Ratings, a division of the McGraw Hill Companies, Inc., and its successors and assigns.

"*Trust Estate*" means the property mortgaged, pledged and assigned to the Trustee pursuant to the granting clauses hereof. The Trust Estate does not include the Rebate Fund or any escrow accounts established pursuant to Section 10.01 hereof.

"*Trustee*" means U.S. Bank Trust Company, National Association acting in the capacity of trustee pursuant hereto, and any successor thereto appointed hereunder.

"*Trustee Representative*" means any vice president or assistant vice president of the Trustee or such other representative as a duly authorized officer of the Trustee shall designate in writing.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND DELIVERY OF CERTIFICATES

2.01 Authorized Amount of Certificates. No Certificates may be executed and delivered hereunder except in accordance with this Article. The aggregate principal amount of Certificates that may be executed and delivered hereunder shall not be limited in amount.

2.02 Denomination, Payment of Interest on Certificates.

(a) The Certificates shall be sold, executed and delivered hereunder, for the purpose of paying the Costs of the Project.

(b) The Certificates shall be deliverable only as fully registered Certificates in denominations of \$5,000 and any integral multiple thereof (provided that no Certificate may be in a denomination which exceeds the Principal component of Base Rent coming due on any Rent Payment Date and no individual Certificate may be executed and delivered for more than one Rent Payment Date). The Certificates shall be numbered in such manner as shall be determined by the Trustee.

(c) The principal of any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior prepayment thereof and upon presentation and surrender at the Operations Center. Payment of interest with respect to the Certificates shall be made by check or draft of the Trustee mailed, or by wire transfer or other electronic means, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, electronically or otherwise to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Certificate and the Trustee.

2.03 2023 Certificate Details.

(a) The 2023 Certificates designated as the "Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023" evidencing undivided interests in the right to receive certain revenues payable by the State under the Financing Lease (the "2023 Certificates") shall be executed and delivered in the aggregate principal amount of \$ _____. The 2023 Certificates shall be dated as of _____, 2023 and shall mature on the dates and in the amounts set forth below and shall evidence interest from their original dated date to maturity at the rates per annum shown below computed on the basis of a 360 day year of twelve 30 day months, payable on each Interest Payment Date; except that 2023 Certificates which are reissued upon transfer, exchange or other replacement shall evidence interest at the rates per annum shown below 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 original dated date of the 2023 Certificates:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Annual Interest Rate</u>
April 1, 2024	\$	%
April 1, 2025		
April 1, 2026		
April 1, 2027		
April 1, 2028		
April 1, 2029		
April 1, 2030		
April 1, 2031		

The total Principal Components and Interest Components due on all Certificates shall not exceed the total Base Rent due under the Financing Lease.

(b) The 2023 Certificates shall be executed and delivered in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the Trustee executing the same (whose manual, electronic or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the 2023 Certificates and this Indenture are hereby approved and adopted as the covenants, statements, representations and agreements of the Trustee. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Indenture and is incorporated herein as if set forth in full in the body of this Indenture.

2.04 Limited Obligations. Each Certificate shall represent an undivided interest in the right to receive Base Rent and shall be secured by and payable solely from the Trust Estate in accordance with, and subject to the terms of this Indenture. No provision of the Certificates, this Indenture, the Financing Lease or the Ground Lease shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) requiring the State to make an appropriation; or (c) as a delegation of governmental powers by the State.

2.05 Execution and Authentication of Certificates. The manual, facsimile or electronic signature of a duly authorized signatory of the Trustee shall appear on each Certificate. Any Certificate shall be deemed to have been executed by a duly authorized signatory of the Trustee if signed by the Trustee, but it shall not be necessary that the same signatory sign all of the Certificates executed and delivered hereunder. If any signatory of the Trustee whose signature appears on a Certificate shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained a duly authorized signatory of the Trustee until delivery.

2.06 Delivery of Certificates. Upon the execution and delivery of this Indenture, and, with respect to any Additional Certificates, the execution and delivery of any Supplemental Indenture relating to such Additional Certificates, the Trustee shall execute and deliver such Certificates to the Initial Purchasers thereof, as hereinafter in this Section provided:

(a) Prior to the delivery by the Trustee of any of such Certificates, there shall have been filed with the Trustee (i) an originally executed counterpart of this Indenture and any Supplemental Indenture relating to such Certificates, and (ii) certified copies of any other instruments to be executed and delivered by the Corporation in connection with such Certificates, which, in the case of the 2023 Certificates, shall include, but not be limited to, the Financing Lease and the Ground Lease.

(b) Thereupon, the Trustee shall deliver such Certificates to the Initial Purchaser thereof, upon payment to the Trustee of the agreed purchase price or as provided herein. The agreed purchase price of the 2023 Certificates consists of the principal amount of the 2023 Certificates of \$_____, plus original issue premium of \$_____, less the Initial Purchaser's discount of \$_____, which sum shall be applied as follows: (i) the amount required to establish the Reserve Fund Requirement for the 2023 Certificates (\$0) shall be deposited into the Reserve Fund; (iii) \$_____ shall be wired by the Initial Purchaser to the Treasurer for deposit into the Costs of Delivery Account; and (iv) the remainder shall be deposited into the Redemption Account[, together with \$_____ on deposit in the debt service reserve fund with the trustee for the 2013 Certificates], which shall be applied solely to the payment of Refunded Certificate Requirements.

2.07 Mutilated, Lost, Stolen or Destroyed Certificates. In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed on behalf of the Trustee, of like series date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received such evidence, information or indemnity from the Owner of the Certificate as it may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee. In the event that any such Certificate shall have matured, instead of issuing a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in this connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

2.08 Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates.

(a) (i) Records for the registration and transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar for the Certificates. The principal of and interest with respect to any Certificate shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned.

(ii) Fully registered Certificates may be exchanged at the Operations Center for an equal aggregate principal amount of fully registered Certificates of the same maturity of other authorized denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

(iii) The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

(iv) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day the Trustee gives the notice calling any Certificates for prior prepayment and ending at the close of business on the day of such notice, or (ii) all or any portion of a Certificate after the giving of the notice calling such Certificate or any portion thereof for prior prepayment.

(b) Notwithstanding the foregoing provisions of subsections (a) hereof, the Certificates shall initially be evidenced by one Certificate for each year in which the applicable series of Certificates mature in denominations equal to the aggregate principal amount of the Certificates maturing in that year. Such initially delivered Certificates shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Certificates. The Certificates may not thereafter be transferred or exchanged except:

(i) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in subsection 3 of NRS § 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(ii) upon the resignation of The Depository Trust Company or a successor under clause (1) or new depository under this clause (2) or a determination by the Trustee 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 Trustee of another depository institution acceptable to the Trustee and to the depository then holding the Certificates, which new depository institution must be both a "clearing corporation" as defined in subsection 3 of 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

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

(c) 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 (b) hereof or designation of a new depository pursuant to clause (2) of subsection (b) hereof, upon receipt of the Certificates by the Trustee, together with written instructions for transfer satisfactory to the Trustee, a new Certificate for each maturity of the Certificates then Outstanding 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 (b) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Certificates as provided in clause (3) of subsection (b) hereof, and upon receipt of the Certificates by the Trustee, together with written instructions for transfer satisfactory to the Trustee, new Certificates shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 2.02(a) hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions: however, the Trustee shall not be required to deliver such new Certificates within a period of less than 60 days from the date of receipt of such written transfer instructions.

(d) Except as otherwise provided herein with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest with respect to any Certificate shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

2.09 Cancellation of Certificates. Whenever any Outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Section 2.07 or 2.08 hereof, such Certificates shall be promptly cancelled by the Trustee.

2.10 Issuance of Additional Certificates.

(a) So long as the Lease Term shall remain in effect, and no Event of Nonappropriation under the Financing Lease, no Event of Default under the Financing Lease (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) and no Event of Default hereunder (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) shall have occurred, one or more issues of Additional Certificates may be executed and delivered upon the terms and conditions provided in this Section. The maturity dates for such Additional Certificates shall be the same date of the month as the maturity date of the 2023 Certificates and the Interest Payment Dates for such Additional Certificates shall be April 1 and October 1 of the years set forth in the Supplemental Indenture relating to such Additional Certificates. Additional Certificates may only be issued to evidence undivided interests in Base Rent pursuant to an amendment of the Financing Lease with respect to which Certificates have not been previously issued. Proceeds of Additional Certificates may only be used to provide funds to pay one or more of the following: (i) the costs

of refunding all or any portion of the Outstanding Certificates; and (ii) the costs of making at any time or from time to time such additions, modifications and improvements for or to the Leased Property as the State and the Corporation may deem necessary or desirable.

(b) Additional Certificates may be executed and delivered only in accordance with subsection (a) of this Section and only upon there being furnished to the Trustee:

(i) Originally executed counterparts of a Supplemental Indenture expressly providing that, for all the purposes hereof, the Leased Property shall include any property being financed by the Additional Certificates, and that the Certificates shall mean and include the Additional Certificates being executed and delivered as well as any Certificates and Additional Certificates theretofore executed and delivered, except that the series description of the Additional Certificates, the date or dates of the Additional Certificates, the maturity dates and Interest Payment Dates for the Additional Certificates, the rate or rates of interest with respect to the Additional Certificates, and provisions for the prepayment thereof, if any, all may be as provided in the Supplemental Indenture rather than as provided in this Indenture.

(ii) The addition to the Trust Estate of an assignment of the Lease Revenues from or with respect to the property financed with the proceeds of such Additional Certificates.

(iii) A written opinion of Special Counsel to the effect that the execution and delivery of the Additional Certificates have been duly authorized, that all conditions precedent to the delivery thereof have been fulfilled, that the execution and delivery of Additional Certificates will not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to any Certificates, and that the sale, execution and delivery of the Additional Certificates will not constitute an Event of Default under this Indenture or the Financing Lease nor cause any violation of the covenants or representations herein or in the Financing Lease.

(iv) Proceeds of such Additional Certificates or other legally available funds of the Corporation or the State for deposit into the appropriate account within the Reserve Fund, or other substitution for the cash deposit as described in Section 3.02(b) hereof, in an amount, if any, necessary to increase the amount on deposit in the appropriate account within the Reserve Fund to the applicable Reserve Fund Requirement.

(v) An amendment to Exhibit B to the Financing Lease evidencing that the Base Rent after such amendment is fully sufficient to timely pay all amounts due with respect to the Certificates that will be outstanding after the issuance of such Additional Certificates, executed by the parties to the Financing Lease.

(vi) Evidence that (A) the Additional Certificates will be rated by S&P, Moody's and Fitch or whichever of S&P, Moody's or Fitch then rates any Certificates, at least as high as the highest rated Certificates then Outstanding (or, if the Outstanding Certificates are insured, at least as high as the highest rating on the Certificates then Outstanding without regard

to such insurance) and (B) the execution and delivery of the Additional Certificates will not result in a withdrawal or reduction of any rating on any other Outstanding Certificates.

(vii) A written order to the Trustee by the Corporation to deliver the Additional Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified sum plus accrued interest.

(c) No Additional Certificates shall be authorized if an Event of Default shall have occurred and be continuing with respect to the Outstanding Certificates.

(d) Each of the Additional Certificates executed and delivered pursuant to this Section shall be proportionately and ratably secured with the Certificates originally issued and all other issues of Additional Certificates, if any, executed and delivered pursuant to this Section, without preference, priority or distinction of any Certificates or Additional Certificates over any other except as to any separate account in the reserve fund established for a particular series of Certificates which shall be exclusively for the benefit of that series of Certificates.

2.11 Negotiability. Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest with respect to the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the State, the Corporation, the Trustee and the original or any intermediate owner of any Certificates.

ARTICLE III FUNDS AND ACCOUNTS

3.01 Debt Service Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Debt Service Fund" (the "Debt Service Fund") and, within such fund, the Interest Account and the Principal Account. The Trustee may establish such additional accounts within the Debt Service Fund or such subaccounts within any of the existing or any future accounts of the Debt Service Fund as may be necessary or desirable.

(b) There shall be deposited into the Interest Account (i) all accrued interest received at the time of the execution and delivery of the Certificates; (ii) the Interest Component of Base Rentals made by the State; (iii) any portion of the Reserve Fund to be deposited into the Interest Account, as provided in Section 3.02(d) hereof, provided that amounts transferred to the Debt Service Fund from a particular account of the Reserve Fund shall be applied only to the payment of the corresponding issue of 2023 Certificates or Additional Certificates; and (iv) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Interest Account.

(c) There shall be deposited into the Principal Account (i) the Principal Component of Base Rentals made by the State; (ii) any portion of the Reserve Fund to be deposited into the Principal Account, as provided in Section 3.02(d) hereof, provided that amounts transferred to the Debt Service Fund from a particular account of the Reserve Fund shall be applied only to the payment of the corresponding issue of Certificates; and (iii) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Principal Account.

(d) Moneys in the Interest Account shall be used solely for the payment of interest with respect to the Certificates and moneys in the Principal Account shall be used solely for the payment of the principal with respect to the Certificates; provided that (i) in the event that there are any remaining moneys in the Interest Account upon payment of the interest due with respect to the Certificates, such moneys may be used for the payment of principal with respect to the Certificates; (ii) moneys representing accrued interest received at the time of the execution and delivery of any series of Certificates shall be used solely to pay the first interest due with respect to such Certificates; (iii) the Purchase Option Price and any other moneys transferred to the Debt Service Fund with specific instructions that such moneys be used to pay the prepayment price of Certificates shall be used solely to pay the prepayment price of Certificates; (iv) moneys transferred from any account of the Reserve Fund shall be used solely to pay the principal and interest due with respect to the Certificates, the proceeds of which were used to fund such account; and (v) moneys transferred from the Costs of Delivery Account shall be used to pay the principal and interest with respect to the Certificates; provided, further, that all moneys in the Debt Service Fund shall be available to pay the prepayment price of Certificates in connection with a prepayment of all the Certificates and to pay the principal of and interest with respect to any Certificates following an Event of Default or Event of Nonappropriation.

3.02 Reserve Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Reserve Fund" (the "Reserve Fund"). The Trustee shall establish an account within the Reserve Fund for the 2023 Certificates and for each series of Additional Certificates if deposits are required to be made therein. For the 2023 Certificates, the Reserve Fund Requirement shall be \$0.

(b) There shall be deposited into the appropriate account of the Reserve Fund, (i) upon the execution and delivery of each series of Certificates, an amount sufficient to establish the Reserve Fund Requirement for such series of Certificates from proceeds of such series of Certificates or other available moneys of the State or the Corporation; (ii) all amounts paid by the State pursuant to subsection (e) of this Section; and (iii) all other moneys delivered to the Trustee that are accompanied by instructions to deposit the same into the Reserve Fund. Nothing in this Indenture shall be construed as limiting the right of the State or the Corporation to augment the Reserve Fund or any account thereof with any other moneys which are legally available for payment of the principal of and interest with respect to the Certificates or, subject to Section 5.01 hereof, to substitute for the cash deposit required to be maintained hereunder a Qualified Surety Bond to insure that cash in the amount otherwise required to be maintained

hereunder will be available as needed. If the Reserve Fund is funded in part with cash and in part with a Qualified Surety Bond the State shall at the time it deposits the Qualified Surety Bond provide directions to the Trustee as to the order in which such sources are to be applied if payments are required to be made from the Reserve Fund.

(c) Income derived from the investment of moneys in any account of the Reserve Fund (i) shall be retained in such account to the extent the amount therein is less than the Reserve Fund Requirement therefor; (ii) shall be used as provided in subsection (d) of this Section to the extent required thereunder; (iii) shall, to the extent required by Section 3.05(e), be deposited into the Rebate Fund; and (iv) to the extent not required to be used as provided in clause (i), (ii) or (iii), may, at the option and direction of the State be (A) transferred to the Debt Service Fund to pay the principal of or interest with respect to the corresponding issue of 2023 Certificates or Additional Certificates; (B) transferred to the Rebate Fund; (C) used to pay fees and expenses of the Trustee; (D) used to defease Certificates pursuant to Section 10.01 hereof; or (E) used for any combination of (A), (B), (C) or (D). Absent specific direction, such amounts shall be applied as provided in Clause (A) of the foregoing sentence.

(d) Moneys held in each account within the Reserve Fund shall be applied to any of the following purposes; provided, however, that each such purpose relates only to the issue of 2023 Certificates or Additional Certificates for which a deposit to the Reserve Fund was required pursuant to this Indenture or the Supplemental Indenture relating to such Certificates and to no other issue of Certificates:

(i) To the payment of the principal of and interest with respect to the Certificates when due, to the extent of any deficiency in the Debt Service Fund for such purpose;

(ii) At the option of the Trustee, upon the occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease or an Event of Default hereunder, to the payment of any cost or expense necessary to preserve or protect the Leased Property or the interest of the Trustee or the Owners therein, or necessary to make any repairs or modifications to the Leased Property in preparation for sale or other disposition thereof, as the Trustee may deem to be in the best interests of the Owners;

(iii) Except to the extent applied pursuant to clause (2) of this subsection, upon the expiration of the Lease Term by reason of the occurrence of an Event of Nonappropriation or upon the termination of the Lease Term by reason of the occurrence of an Event of Default thereunder, proportionately to the prepayment of the Certificates then Outstanding and the payment of interest with respect thereto;

(iv) In the event the Certificates are defeased in full pursuant to Section 10.01 hereof, to the defeasance escrow if so directed by the State; or

(v) To the extent the amount therein exceeds the Reserve Fund Requirement, at the option and direction of the State, as provided in clauses (A), (B), (C), (D) or (E) of subsection (c)(iv) of this Section.

(e) If, for any reason, the amount on deposit in any account of the Reserve Fund is less than the Reserve Fund Requirement for the corresponding issue of 2023 Certificates or Additional Certificates, the State shall pay as Additional Rent or Base Rent, as the case may be, to the Trustee all amounts required to restore the amount on deposit in such account to the Reserve Fund Requirement as follows: (i) if the deficiency is as a result of an annual valuation of the Reserve Fund, the deficiency shall be restored in three equal monthly installments prior to the next succeeding valuation date and (ii) if the deficiency occurs for any other reason, the deficiency shall be restored in 9 equal monthly installments commencing 3 months following the determination that a deficiency exists. Payment of moneys by the State under this subsection (e), (as well as all other payments by the State) is subject to Section 2.04 hereof.

3.03 Costs of Delivery Account.

(a) Upon delivery of the 2023 Certificates or prior thereto, a special account will have been created and established with the Treasurer and designated as the "State of Nevada 2023 Certificates of Participation Costs of Delivery Account" (the "Costs of Delivery Account").

(b) Upon delivery of the 2023 Certificates and receipt of the moneys described in Section 2.06(b)(iii) hereof, the Initial Purchaser shall wire \$_____ of such moneys to the Treasurer for deposit into the Costs of Delivery Account for disbursement by the Treasurer to pay the Costs of Delivery.

(c) If an Event of Default shall have occurred hereunder or under the Financing Lease, the Trustee, as it deems appropriate and in the best interests of the Owners, shall request the Treasurer to disburse moneys in the Costs of Delivery Account to the Trustee to be applied as provided in Article VII hereof. At such time as the Treasurer may determine, the Treasurer may disburse moneys in the Costs of Delivery Account to the Trustee to be deposited in the Debt Service Fund (i) as a credit against the next principal installments of Base Rent payments coming due, (ii) to defease principal or interest payments of Base Rent coming due in the future designated by the Treasurer or designee; (iii) to pay amounts required to be deposited in the Rebate Fund; or (iv) to any combination of such purposes, all as the Treasurer or designee directs.

3.04 Redemption Account.

(a) A special account is hereby created and established designated as the Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023, Redemption Account (the "Redemption Account") to be held by the trustee for the 2013 Certificates and used to prepay the 2013 Certificates as described herein.

(b) The balance of the proceeds of the sale of Certificates remaining after the deposit to the Reserve Fund pursuant to Section 3.02(b) hereof and to the Costs of Delivery Account pursuant to Section 3.03(b) shall be deposited into the Redemption Account and used, together with debt service reserve funds, if any, on deposit with the trustee for the 2013 Certificates and other available funds of the State, to pay the Refunded Certificate Requirements on the date of delivery of the 2023 Certificates.

3.05 Rebate Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Rebate Fund" (the "Rebate Fund").

(b) There shall be deposited into the Rebate Fund (i) any moneys transferred to the Rebate Fund from the Reserve Fund pursuant to Section 3.02(c) or (d) and Section 3.03(c)(iii) hereof; (ii) all amounts paid by the State or transferred from the Reserve Fund pursuant to subsection (e) of this Section; and (iii) all other moneys delivered to the Trustee by the State, the Corporation or any other Person that are accompanied by instructions to deposit the same into the Rebate Fund.

(c) Not later than 60 days after the date of delivery of the 2023 Certificates and every five years thereafter, the Trustee on behalf of and at the direction of the State shall pay to the United States of America 90% of the amount required, if any, to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the final retirement of the Certificates, the Trustee on behalf of and at the direction of the State shall pay to the United States of America 100% of the amount required, if any, to be on deposit in the Rebate Fund which shall remain in effect for such period of time as is necessary for such final payment to be made. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah. Each payment shall be accompanied by a copy of the Internal Revenue Form 8038 T and a statement summarizing the determination of the amount to be paid to the United States of America provided to the Trustee by the State. There is reserved in the State the right, in all events, to pursue such remedies and procedures as are available in order to assert any claim of overpayment of any rebated amounts.

(d) The State shall make or cause to be made all required rebate calculations annually on or before August 15 of each year with respect to the preceding Fiscal Year, and notify the Trustee of the resulting rebate amount so as to provide the information required to transfer moneys to the Rebate Fund pursuant to subsection (b) of this Section. The Trustee shall make deposits to and disbursements from the Rebate Fund in accordance with the Investment Instructions (the "Investment Instructions") and the Tax Compliance Certificate (the "Tax Compliance Certificate") executed by the State in connection with the issuance of the 2023 Certificates and any Tax Compliance Certificates executed by the State in connection with the issuance of any Additional Certificates. The Trustee shall invest the Rebate Fund pursuant to said Investment Instructions and shall deposit income from said investments immediately upon receipt thereof in the Rebate Fund, all as set forth in the Investment Instructions. The Investment Instructions may be superseded or amended by new Investment Instructions drafted by and accompanied by an opinion of Special Counsel addressed to the Trustee to the effect that the use of said new Investment Instructions will not cause the interest with respect to the Certificates to be includable in the gross income of the recipients thereof for purposes of federal income taxation. The State may employ, at its expense, a designated agent to calculate the amount of deposits to and disbursements from the Rebate Fund based upon information furnished by the Corporation and the Trustee. If a withdrawal from the Rebate Fund is permitted as a result of the computation described in the Investment Instructions, the amount withdrawn shall be deposited

in the Debt Service Fund. Record of the determinations required by this Section and the Investment Instructions must be retained by the Corporation and the Trustee until six years after the final retirement of the Certificates.

(e) The State agrees that while the Financing Lease is in effect, if, for any reason, the amount on deposit in the Rebate Fund as of June 30 of any year, is less than the amount that would be required to be paid to the United States of America if the Certificates were retired as of that date, either (i) the State will pay to the Trustee as Additional Rent by August 31 of that year the amount required to make such payment on such date, or (ii) amounts derived from earnings on amounts in the Reserve Fund sufficient to make such payment will be deposited into the Rebate Fund.

3.06 No presentment of Certificates. In the event any Certificate shall not be presented for payment when due, if funds sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to such Certificate. Funds so held but unclaimed by an Owner shall be delivered to the State after the expiration of five years or, upon receipt by the Trustee of an opinion of Special Counsel that such funds may be released to the State on such earlier date, on any earlier date designated by the State.

3.07 Moneys to be Held in Trust. The Debt Service Fund, the Reserve Fund and any other fund or account created hereunder (except the Rebate Fund and the Redemption Account) shall be held by the Trustee, for the benefit of the Owners as specified in the Indenture, subject to the terms of this Indenture and the Financing Lease. Any escrow account established pursuant to Section 10.01 hereof shall be held for the benefit of the Owners of the Certificates to be paid therefrom as provided in the applicable escrow agreement.

3.08 Repayment to the State from the Trustee. After payment in full of the principal of and interest on the Certificates, all rebate payments due to the United States of America, the fees and expenses of the Trustee and the Corporation and all other amounts required to be paid hereunder, any remaining amounts held by the Trustee pursuant hereto shall be paid to the State.

ARTICLE IV
PREPAYMENT OF CERTIFICATES

4.01 Prepayment of 2023 Certificates in Whole Upon an Event of Nonappropriation or Event of Default under the Financing Lease.

(a) In the event of the occurrence of an Event of Nonappropriation under the Financing Lease or the occurrence and continuation of an Event of Default under the Financing Lease, the 2023 Certificates shall be prepayable in whole, at a prepayment price determined pursuant to subsection (b) of this Section, on any date.

(b) The prepayment price for any prepayment pursuant to this Section shall be the lesser of (i) the principal amount of the 2023 Certificates, plus accrued interest to the prepayment date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Financing Lease with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such prepayment and (B) the other amounts available in the Trust Estate for payment of the prepayment price of the Certificates, which amounts shall be allocated among the 2023 Certificates in proportion to the principal amount of each 2023 Certificate. Notwithstanding any other provision hereof, the payment of the prepayment price of any 2023 Certificate pursuant to this Section shall be deemed to be the payment in full of such 2023 Certificate and no Owner of any 2023 Certificate prepaid pursuant to this Section shall have any right to any payment from the Corporation, the Trustee or the State in excess of such prepayment price.

(c) In addition to any other notice required to be given under this Article or any other provision hereof, the Trustee shall, immediately upon the occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease, notify the Owners (i) that such event has occurred and (ii) advise the Owners as to whether or not the funds then available to it for such purpose are sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section. If the funds then available to the Trustee are sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section, such prepayment price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section, the Corporation and the Trustee shall (A) immediately pay the portion of the prepayment price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Financing Lease and (B) subject to the provisions of Article VII hereof, immediately begin to exercise and shall diligently pursue all remedies available to them under the Financing Lease in connection of such Event of Nonappropriation or Event of Default. The remainder of the prepayment price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies. Partial payments shall be applied first to unpaid interest and second to principal.

4.02 No Optional Prepayment or Sinking Fund Prepayment of 2023 Certificates. The 2023 Certificates shall not be subject to optional prepayment or mandatory sinking fund prepayment prior to their respective maturities.

4.03 Notice of Prepayment.

(a) Notice of the call for any prepayment, identifying the Certificates or portions thereof to be prepaid and the prepayment date and stating that on the prepayment date, the principal amount of the Certificates to be repaid and accrued interest and premium, if any, thereon will become due and payable at the principal office of the Trustee, or such other office as may be designated by the Trustee, and that after the prepayment date, no further interest will accrue on the principal of the Certificates called for prepayment, shall be given by the Trustee electronically or otherwise, at least 20 days and not more than 60 days prior to the date fixed for prepayment to the Owner of each Certificate to be prepaid at the address shown on the registration books, to the Municipal Securities Rulemaking Board ("MSRB"); provided, however, that failure to give such notice to the MSRB or any Owner, or any defect therein, shall not affect the validity of any proceedings with respect to any Certificates to whose Owner a notice was given.

(b) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

(c) If at the time of giving the notice of prepayment there shall not have been deposited with the Trustee moneys sufficient to prepay all the Certificates called for prepayment, which moneys are or will be available for prepayment of Certificates, such notice will state that it is conditional upon the deposit of the prepayment moneys with the Trustee not later than the opening of business on the prepayment date, and such notice shall be of no effect unless such moneys are so deposited.

4.04 Prepayment Payments.

(a) On or prior to the date fixed for prepayment, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Certificates called for prepayment, together with accrued interest thereon to the prepayment date. Upon the giving of notice and the deposit of such funds as may be available for prepayment pursuant to this Indenture, interest on the Certificates or portions thereof thus called for prepayment shall no longer accrue after the date fixed for prepayment.

(b) The Trustee shall pay to the Owners of Certificates so prepaid, the amounts due on their respective Certificates, at the Operations Center of the Trustee upon presentation and surrender of the Certificates.

4.05 Cancellation. All Certificates which have been prepaid shall not be reissued but shall be canceled by the Trustee in accordance with Section 2.09 hereof.

4.06 Delivery of New Certificates Upon Partial Prepayment of Certificates. Upon surrender and cancellation of a Certificate for prepayment in part only, a new Certificate or Certificates of the same series and maturity and of authorized denomination in an aggregate principal amount equal to the unprepaid portion thereof, shall be executed on behalf of and delivered by the Trustee.

ARTICLE V INVESTMENTS

5.01 Investment of Moneys. All moneys held as part of any fund, account, or subaccount created hereunder shall, subject to Sections 5.02 and 6.02 hereof, be deposited or invested and reinvested by the Trustee, as provided in the Investment Instructions and other written directions provided by the State as an agent of the Corporation (so long as no Event of Default or Event of Nonappropriation has occurred) in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any moneys in any fund or account created hereunder which shall interfere with or prevent withdrawals for payment of Costs of the Project or for payment of the Certificates, or interest with respect thereto. (If an Event of Default or an Event of Nonappropriation has occurred, the Trustee shall determine the investments to be made, which shall only be in Permitted Investments.) Any and all such deposits or investments shall be held by or under the control of the Trustee. The Trustee may make any and all such deposits or investments through its own trust department or the trust department of any bank or trust company under common control with the Trustee. Income from deposits or investments of moneys held in the Rebate Fund shall be deposited as provided in Section 3.05 hereof and income from deposits or investments of moneys held in any escrow account established pursuant to Section 10.01 hereof shall be deposited as provided in the escrow agreement governing such escrow account. Otherwise, except as otherwise provided by Section 3.02(c) and 3.05(e) hereof, deposits or investments shall at all times be a part of the fund, account or subaccount from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund, account or subaccount. In computing the amount in any fund or account created hereunder for any purpose hereunder, investments shall be valued at cost (exclusive of accrued interest) or par, whichever is less, except that investments in the Reserve Fund shall be valued at fair market value and marked to market on July 1 in each year.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the State that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the State, unless the State notifies the Trustee in writing to the contrary within thirty (30) days of the date of such statement. The Trustee shall without further direction from the State sell such qualified investments as and when required to make any payment for the purpose for which such investments are held.

5.02 Tax Certification. The State covenants to give investment instructions to the Trustee, while the Financing Lease is in effect, so moneys in any fund or account held by the Trustee under this Indenture, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not, if such instructions are followed, be deposited or invested in a manner which will cause the interest on the Certificates to be included in gross income for federal income tax purposes, and Trustee agrees to follow those instructions.

ARTICLE VI PARTICULAR COVENANTS

6.01 Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants that:

(a) The Corporation (i) is a nonprofit corporation that is organized, validly existing and in good standing under the laws of the State, (ii) is duly qualified to do business in the State and (iii) is authorized, under its articles of incorporation and bylaws, the action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to assign the Trust Estate to the Trustee and to execute, deliver and perform its obligations hereunder.

(b) The assignment of the Trust Estate to the Trustee pursuant to this Indenture is in the best interests of the Corporation.

(c) The execution, delivery and performance of this Indenture by the Corporation has been duly authorized by the Corporation.

(d) This Indenture is enforceable against the Corporation in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State of Nevada and its governmental bodies of the police power inherent in the sovereignty of the State of Nevada and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(e) The execution, delivery and performance of the terms of this Indenture by the Corporation does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Indenture, the Ground Lease or the Financing Lease.

(f) There is no litigation or proceeding pending or threatened against the Corporation or any other Person affecting the right of the Corporation to execute, deliver or perform its obligations under this Indenture.

(g) The Corporation shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under

its articles of incorporation and bylaws, the action of its board of directors and applicable law; provided, however, that this covenant shall not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Corporation hereunder, but only if and to the extent such assumption does not materially impair the rights of the Owners of any Outstanding Certificates or of the State.

(h) The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Indenture, the Financing Lease, any other instrument or other arrangement to which it is a party that benefits the Owners of any Outstanding Certificates and any other Requirement of Law.

6.02 Tax Covenant. The Corporation shall not take any action or omit to take any action with respect to the Certificates, the proceeds of the Certificates, the Trust Estate, the Leased Property, or any other funds or property of the Corporation, and it will not permit any other Person to take any action or omit to take any action with respect to the Trust Estate or the Leased Property or the use thereof if such action or omission (i) would cause the interest on the Certificates to be included in the gross income of the holders thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), (ii) would cause interest on the Certificates to be included in alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Certificates until the date on which all obligations in fulfilling the above covenant under the Tax Code have been met. The Corporation makes no covenant with respect to taxation of interest on the Certificates as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code). The covenants set forth in this Section shall not, however, apply to any series of Certificates if, at the time of execution and delivery, the State and the Corporation intend the interest with respect to such series of Certificates to be subject to federal income tax.

6.03 Sale or Encumbrance of Leased Property. As long as there are any Outstanding Certificates, and as except otherwise permitted by this Indenture and except as the Financing Lease otherwise specifically requires, the Corporation shall not sell or otherwise dispose of its interest in the Leased Property.

6.04 Rights of Trustee under Financing Lease and Ground Lease. The State and the Corporation hereby covenant to the Trustee for the benefit of the Owners that the State and the Corporation will observe and comply with their obligations under the Financing Lease and Ground Lease, and that all the representations made by the State and the Corporation in the Financing Lease and Ground Lease are true. Wherever in the Financing Lease or Ground Lease it is stated that the State will notify the Corporation, or wherever the Financing Lease or Ground Lease gives the Corporation or the Trustee some right or privilege, such part of the Financing Lease or Ground Lease shall be as if it were set forth in full in this Indenture. The Corporation agrees that the Trustee, as assignee of the Corporation under the Financing Lease and Ground

Lease may enforce, in its name or in the name of the Corporation, all rights of the Corporation and all obligations of the State under the Financing Lease and Ground Lease, for and on behalf of the Owners, whether or not the Corporation is in default under this Indenture.

6.05 Defense of Trust Estate. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect its title to the Leased Property and the other property or property rights included the Trust Estate, the assignment of the Trust Estate to the Trustee under this Indenture and all the rights of the Owners under this Indenture against all claims and demands of all Persons whomsoever.

6.06 Inspection of the Leased Property. The Trustee and its duly authorized agents shall have the rights (but shall have no obligation), on reasonable notice to the Corporation and the State, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the Corporation and the State for security purposes). The Trustee and its duly authorized agents, and the State, shall also be permitted (but shall have no obligation), at all reasonable times, to examine the books, records, reports and other papers of the Corporation with respect to the Leased Property. All such inspections are subject to the requirements of Ch. 204, Statutes of Nevada, 2003.

6.07 Insurance or Condemnation Proceeds. In the event insurance or condemnation proceeds arise under the Financing Lease, State must notify Trustee within forty (40) days of receipt of such insurance or condemnation proceeds under the Financing Lease of its intention to use those proceeds to redeem the certificates or rebuild the Financed Facilities.

6.08 Termination of Ground Lease. The State agrees that in the event of a default of the Corporation under the Ground Lease, it may not terminate Trustee's interest under the Ground Lease as an assignee of the Corporation, but may only terminate Corporation's interest in the Ground Lease. The Trustee's rights and interests in the Ground Lease as an assignee of the Corporation shall remain in full force and effect notwithstanding any default by the Corporation or termination of the Corporation's interest in the Ground Lease.

ARTICLE VII DEFAULTS AND REMEDIES

7.01 Events of Default. Any of the following shall constitute an "Event of Default" under this Indenture:

(a) Default in the payment of the principal of any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption.

(b) Default in the payment of any installment of interest with respect to any Certificate when the same shall become due and payable.

(c) The occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease.

(d) Failure by the Corporation or the State to cure any noncompliance with any other provision of this Indenture within 30 days after receiving notice of such noncompliance from the Trustee.

7.02 Remedies on Default.

(a) Upon the occurrence of an Event of Default under the Financing Lease, the Trustee, as assignee of the rights of the Corporation under the Financing Lease may, and at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall, to the extent indemnified as provided herein, without any further demand or notice, take one or any combination of the remedial steps described in the Financing Lease. Trustee as assignee of the Corporation is entitled to possession of the Leased Property in such an Event of Default only for the period specified in the Ground Lease and after such period the Leased Property shall revert to the State.

(b) Upon the occurrence of an Event of Nonappropriation, the Trustee may exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under the Financing Lease. The Trustee may and at the request of the Owners of a majority of the aggregate principal amount of the Certificates then Outstanding shall, without any further demand, exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under the Financing Lease. The Trustee, as assignee of the Corporation, is entitled to possession of the Leased Property in such an Event of Nonappropriation only for the period specified in the Ground Lease and after such period, the Leased Property shall revert to the State.

(c) The Trustee shall be entitled for the benefit of the owners of the Certificates then Outstanding, upon any Event of Default described in Section 7.01(c) hereof, to any moneys in any funds or accounts created hereunder (except the Rebate Fund and any escrow accounts established pursuant to Section 10.01 hereof). In addition, in the circumstances described in Section 4.01, the Trustee shall promptly designate a prepayment date and call the Certificates for prepayment in whole as provided in Section 4.01.

(d) Upon any Event of Default described in Section 7.01(a) or (b) hereof, the Trustee may take whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners, including but not limited to, its rights as assignee of the Corporation's rights under the Ground Lease and the Financing Lease. The Trustee may sell, lease or otherwise transfer any portion of the Trust Estate as it desires to be in the best interests of the Certificate holders and apply the proceeds thereof to making payments thereon when due or under Section 4.01 as the case may be.

(e) No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(f) Subject to Section 7.03 hereof, if any Event of Default under this Indenture shall have occurred and if requested by the Owners of a majority in aggregate principal

amount of Certificates then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

(g) The Trustee, as assignee of the rights of the Ground Lease and the Financing Lease, shall control all remedies available to the Corporation under the Ground Lease and the Financing Lease. In addition the Trustee may determine to abandon the Ground Lease, the Financing Lease or both.

7.03 Majority of Owners May Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof.

7.04 Rights and Remedies of Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default under this Indenture has occurred of which the Trustee has been notified as provided in Section 8.02(h) hereof, or of which by Section 8.02(h) hereof it is deemed to have notice, and the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name; and such notification and request are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her, its or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Owner to enforce the payment of the principal of or interest with respect to any Certificate at and after the maturity thereof.

7.05 Purchase of the Leased Property by Owner or Trustee; Application of Certificates Toward Purchase Price. Upon the occurrence of an Event of Default hereunder, the rights of the Trustee to the Leased Property created and vested in the Trustee hereunder may, in addition to all other remedies, may be sold at public auction or by any other manner the Trustee deems reasonable. Upon any such sale, any Owner or the Trustee may bid for and purchase the Leased Property; and, upon compliance with the terms of sale, may hold, retain and

possess and dispose of the property interest sold in his, her, its or their own absolute right without further accountability. If the Trustee shall acquire the leasehold interest in the Leased Property as a result of any such sale, or any other proceeding, the Trustee may thereafter sublease such interest in the Leased Property; and may take any further lawful action with respect to that interest in the Leased Property which it shall deem to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set forth in the Financing Lease and this Indenture and the taking of all other courses of action permitted herein or therein.

7.06 Waiver of Appraisalment, Valuation, Stay, Execution and Redemption Laws.

The Corporation agrees, to the extent permitted by law, that in case of the occurrence of an Event of Default hereunder, neither the Corporation nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Indenture, or the Financing Lease or the absolute sale of the Trust Estate to the extent permitted hereunder, or the final and absolute surrender of possession, immediately after such sale, to the purchasers; and the Corporation, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the estates comprised in the security intended to be hereby created marshaled upon exercise of the remedies provided herein and agrees that the Trustee may sell the Leased Property as an entirety.

7.07 Trustee May Enforce Rights Without Certificates. All rights of action and claims under this Indenture or any of the Certificates Outstanding hereunder may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Certificates, and any recovery of judgment shall be for the ratable benefit of the Owners, subject to the provisions hereof.

7.08 Trustee to File Proofs of Claim in Receivership. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Leased Property, the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings for the entire amount due and payable with respect to the Certificates under this Indenture, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Owner to file a claim in its own behalf.

7.09 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default hereunder shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

7.10 No Waiver of One Event of Default to Affect Another. No waiver of any Event of Default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon.

7.11 Discontinuance of Proceedings on Event of Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the State, the Trustee and the Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

7.12 Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and notwithstanding anything else to the contrary contained in this Indenture shall do so upon the written request of the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding; provided, however, that there shall not be waived without the consent of the Owners of 100% of the Certificates then Outstanding as to which the Event of Default exists (a) any Event of Default in the payment of the principal with respect to any Outstanding Certificates at the date of maturity specified therein or (b) any Event of Default in the payment when due of the interest with respect to any such Certificates, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal then due (including interest on all overdue installments at the highest rate due with respect to the Certificates), and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default hereunder shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the Trustee, the State and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default hereunder, or impair any right consequent thereon.

7.13 Application of Excess Monies. If an event of Default occurs hereunder and the Trustee exercises its remedies hereunder and as a result thereof all of the Certificate Owners are paid in full as to all principal, interest and redemption premiums, and otherwise made whole for any damages they suffered as a result of such Event of Default, and all fees and expenses of the Trustee are paid in full and thereafter, there remain proceeds from the Trustee's exercise of the remedies granted hereunder, such excess proceeds shall be paid to the State.

7.14 Enforcement by State. The State is hereby granted the right to bring an action to enforce the provisions of this Indenture in the event the Trustee defaults in the performance of its duties hereunder.

ARTICLE VIII CONCERNING THE TRUSTEE

8.01 Representations, Covenants and Warranties Regarding Execution, Delivery and Performance of Indenture. The Trustee represents, covenants and warrants that:

(a) The Trustee (i) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America and (ii) is authorized, under its articles of incorporation, the action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture.

(b) The execution, delivery and performance of this Indenture by the Trustee has been duly authorized by the Trustee.

(c) This Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State of Nevada and its governmental bodies of the police power inherent in the sovereignty of the State of Nevada and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(d) The execution, delivery and performance of the terms of this Indenture by the Trustee does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument known to the Trustee to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Indenture or the Financing Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee.

(e) To its knowledge, there is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Indenture.

(f) The Trustee is advised that the Financing Lease will be terminated upon the occurrence of an Event of Nonappropriation thereunder, and that a failure by the State to appropriate funds in a manner that results in an Event of Nonappropriation under the Financing Lease is solely within the discretion of the legislature of the State.

8.02 Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default hereunder and after the curing of all Events of Default which may have occurred under this Indenture, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or

waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a reasonable and prudent man would exercise or use under the circumstances in the conduct of the affairs of another.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon an Opinion of Counsel rendered in good faith, and to rely conclusively thereon concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein (except those in Section 8.01) or in the Certificates (except in respect of the execution of the Certificates on behalf of the Trustee), for collecting any insurance moneys or for the validity of the execution by the Corporation and the State of this Indenture, any Supplemental Indenture or any instruments of further assurance, or for the sufficiency of the security for the Certificates executed and delivered hereunder or intended to be secured hereby, or for the value of or title to the Leased Property. The Trustee shall have no obligation to perform any of the duties of the Corporation under the Financing Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds or early liquidation thereof, made by it pursuant to instructions from the State in accordance with Article V hereof.

(d) The Trustee shall not be accountable for the use of any Certificates delivered to the Initial Purchaser hereunder. The Trustee may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably and in good faith believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate shall be conclusive and binding upon any Certificates executed and delivered in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the State or the Corporation by the State Representative or the Corporation Representative, as the case may be, or such other person as may be designated for such purpose by the State or the Corporation, as the case may be, as sufficient evidence of the facts therein contained.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct (including a breach of fiduciary duty).

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the State to cause to be made any of the payments to the Trustee required to be made by Article III hereof, unless the Trustee shall be specifically notified in writing of such Event of Default by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the Leased Property (subject to such regulations as may be imposed by the Corporation or the State for security purposes), including all books, papers and records of the Corporation pertaining to the Leased Property.

(k) The Trustee shall not be required to give any Certificate or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.

(m) The Trustee shall not be required to advance or use any of its own funds or otherwise incur any financial liability in the performance of its obligations hereunder or in the exercise of its rights and powers unless it has received assurances and indemnity satisfactory to it against such risks and liabilities.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(o) The Trustee agrees to accept and act upon electronic mail or facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such electronic mail or facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

8.03 Compensation of Trustee. For its services during the Lease Term, the Trustee shall be entitled to \$_____ at the commencement thereof as compensation for its customary administrative services. Miscellaneous Services as defined in the fee schedule dated _____, 2023, and furnished to the Treasurer prior to the date hereof will be billed to the State as incurred. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. The rights of the Trustee to payments pursuant to this Article VIII shall be superior to the rights of the Owners with respect to the Trust Estate and the Trustee shall have a lien therefor on any and all funds, except the Rebate Fund and moneys held for payment of the principal of or interest on particular Certificates after the due dates thereof, at any time held under this Indenture, which lien shall be prior and superior to the lien of the Owners.

8.04 Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving written notice to the State and the Corporation not less than 30 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor qualified as provided in subsection (c) of this Section; provided, however, that if no successor is appointed within 30 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor. The present or any future Trustee may be removed at any time prior to the occurrence of an Event of Default hereunder, by the State for any reason, or at any time by an instrument in writing, executed by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, for any breach of any of the Trustee's duties hereunder. Such removal shall take effect on the appointment of a successor trustee hereunder.

(b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Owners of a majority in aggregate principal amount of the Certificates Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed; provided that the State may, by an instrument executed, appoint a successor until a new successor shall be appointed by the Owners as herein authorized. The State upon making such appointment shall forthwith give notice thereof to each Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the State shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Owners of a majority in aggregate principal amount of the Certificates Outstanding.

(c) Every successor shall be a bank or trust company in good standing, located in or incorporated under the laws of the United States or any State thereof duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder, having a capital and surplus of not less than \$10,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the State and the Corporation an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the State and the Corporation be required by any successor for more fully and certainly vesting in and confirming to it, the said instruments in writing shall, at the reasonable discretion of the State and the Corporation, be made, executed, acknowledged and delivered by the State and the Corporation on request of such successor.

8.05 Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding. In case any of the Certificates to be executed and delivered hereunder shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of such successor Trustee.

8.06 Intervention by Trustee. In any judicial proceeding to which the Corporation or the State is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may intervene on behalf of the Owners and shall do so if requested in writing by the Owners of at least 10% in aggregate principal amount of Certificates Outstanding.

ARTICLE IX SUPPLEMENTAL INDENTURES

9.01 Supplemental Indentures Not Requiring Consent of Owners. The Trustee and the Corporation may, without the consent of, or notice to, the Owners enter into a Supplemental Indenture for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the State or the Corporation contained in this Indenture other covenants and agreements to be thereafter observed by the State or the Corporation;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owners;

(c) to subject to this Indenture additional revenues, properties or collateral (including release and substitution of property);

(d) to set forth the terms and conditions and other matters in connection with the execution and delivery of Additional Certificates, pursuant to Section 2.10 hereof, including Additional Certificates executed and delivered with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;

(e) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes interest with respect to the Certificates; or

(f) to effect any other changes in this Indenture which in the opinion of Special Counsel, do not materially adversely affect the rights of the Owners.

9.02 Supplemental Indentures Requiring Consent of Owners.

(a) The written consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding shall be required for the execution by the Corporation and the Trustee of any Supplemental Indenture other than as provided in Section 9.01; provided, however, that without the consent of the Owners of all the Certificates Outstanding adversely affected thereby nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of prepayment or maturity of the principal amount of or the interest with respect to any Outstanding Certificate, or a reduction in the principal amount of any prepayment of any Outstanding Certificate or the rate of interest with respect thereto, without the consent of the Owner of such Certificate;

(ii) the deprivation as to the Owner of any Certificate Outstanding of the lien created by this Indenture (other than as originally permitted hereby);

(iii) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted herein; or

(iv) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

(b) If at any time the Corporation shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, and consent of all or a portion of the Owners of the Certificates is needed under subsection (a) hereof, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be given electronically or otherwise to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the State and the Corporation following the giving of such notice, the Owners of the required Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee, the State or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

9.03 Execution of Supplemental Indenture. The Trustee is authorized to join with the Corporation in the execution of any Supplemental Indenture entered into in accordance with this Article and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any Supplemental Indenture which affects its rights, duties or immunities under this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such Supplemental Indenture shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates executed and delivered thereafter, if any, if deemed necessary or desirable by the Trustee.

9.04 Amendments of the Financing Lease Not Requiring Consent of Owners. In addition, the State and the Corporation may, with the written consent of the Trustee and, but without the consent of or notice to the Owners, amend, change or modify the Financing Lease or the Ground Lease, as may be required:

(a) by the provisions of the Financing Lease, the Ground Lease or this Indenture;

(b) for the purpose of curing any ambiguity or formal defect or omission in the Financing Lease;

(c) in order more precisely to identify the Leased Property or to add additional or substituted improvements or properties acquired in accordance with the Financing Lease;

(d) in order to provide for the acquisition, construction or installation of additional property under the Financing Lease or the Ground Lease;

(e) in connection with the execution and delivery of Additional Certificates, including Additional Certificates executed and delivered with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;

(f) in connection with any Supplemental Indenture permitted by this Article;

(g) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;

(h) to effect any change that (i) does not reduce the revenues available to the Trustee from the Financing Lease below the amount required to make all the payments and transfers required by Article III hereof, (ii) does not materially reduce the value of the Leased Property and (iii) does not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;

(i) to effect any change to any Project permitted by, and in accordance with the terms of, the Financing Lease, any similar lease or agreement relating to any other Project; or

(j) to effect any other changes in the Financing Lease which, in the opinion of Special Counsel or the Trustee, do not materially adversely affect the rights of the Owners.

9.05 Amendments of the Financing Lease or the Ground Lease Requiring Consent of Owners. Except for the amendments, changes or modifications permitted by Section 9.04 hereof, none of the State, the Corporation, or the Trustee shall consent to any other amendment, change, or modification of the Financing Lease or the Ground Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in Section 9.02 hereof. If at any time the Corporation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Lease, the Trustee shall, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided in Section 9.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

9.06 Notices to Rating Agencies. Notice of any Supplemental Indenture or amendment to the Ground Lease or Financing Lease shall be given to any rating agency rating the Certificates at least 15 days before the effective date thereof. In addition, all notices,

certificates, or other communications given to the Owners hereunder shall also be given to any rating agency rating the Certificates.

ARTICLE X MISCELLANEOUS

10.01 Discharge of Indenture.

(a) If, when the Certificates secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal of and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the State and the Corporation to the Trustee and the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall transfer and convey to (or upon the order of) the State all property assigned, pledged or mortgaged to the Trustee by the State and the Corporation then held by the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be reasonably required by the State and shall turn over to (or upon the order of) the State and the Corporation any surplus in any fund, account or subaccount (except the Rebate Fund) created under this Indenture, except any escrow accounts theretofore established pursuant to this Section.

(b) All or any portion of the Outstanding Certificates shall prior to the maturity or prepayment date thereof be deemed to have been paid ("defeased") within the meaning and with the effect expressed in this Section if (i) in case said Certificates are to be prepaid on any date prior to their maturity, the State shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to give notice of prepayment of such Certificates on said prepayment date, such notice to be given on a date and otherwise in accordance with the provisions of Section 4.03 hereof, (ii) there shall have been deposited in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which shall not contain provisions permitting the prepayment thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, shall be sufficient to pay when due the principal of and interest due and to become due with respect to said Certificates on and prior to the prepayment date or maturity date thereof, as the case may be and (iii) a certified public accountant shall have delivered a verification report to the Trustee verifying the deposit described in clause (ii) above to the Trustee. If an agreement to deliver Defeasance Securities in the future (a "Forward Supply Contract") is used in connection with any defeasance under this Indenture, (x) the verification report must expressly state that adequacy of the deposit initially made with the Trustee to accomplish the defeasance relies solely on the initial investments and cash deposited and the maturing principal thereof and interest thereon and does not assume performance under the Forward Supply Contract and (y) in the event of a discrepancy between this Indenture (and any escrow agreement executed in connection with such defeasance) and the Forward Supply Contract, the provisions of this

Indenture (and any such escrow agreement) shall be controlling. Neither the Defeasance Securities nor moneys deposited in trust pursuant to this Section or principal or interest payments with respect to any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest with respect to said Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (ii) of this subsection maturing at the times and in amounts sufficient to pay when due the principal of and interest to become due with respect to said Certificates on or prior to such prepayment date or maturity date thereof, as the case may be. At such time as any Certificates shall be deemed paid as aforesaid, such Certificates shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

(c) Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Certificates pursuant to this Section becoming effective, there shall have been delivered to the State, the Corporation and the Trustee an opinion of Special Counsel, addressed to the State, the Corporation and the Trustee, to the effect that the applicable Certificates have been defeased and are no longer deemed to be outstanding hereunder.

(d) In the event that there is a defeasance of only part of the Certificates of any maturity, the Trustee shall, if requested by the State, institute a system to preserve the identity of the individual Certificates or portions thereof so defeased, regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

10.02 Further Assurances and Corrective Instruments. The State, the Corporation and the Trustee agree that so long as this Indenture is in full force and effect, the State, the Corporation and the Trustee shall have full power to carry out the acts and agreements provided herein and they will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Indenture.

10.03 Financial Obligations of the State and the Corporation Limited to Trust Estate. Notwithstanding any other provision hereof, all financial obligations of the State and the Corporation under this Indenture are limited to the Trust Estate.

10.04 Evidence of Signature of Owners and Ownership of Certificates.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly

provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(ii) The fact of the ownership by any person of Certificates and the amounts and numbers of such Certificates, and the date of the ownership of the same, may be proved by the registration records of the Trustee.

(b) Any request or consent of the Owner of any Certificate shall bind all transferees of such Certificate in respect of anything done or suffered to be done by the State, the Corporation or the Trustee in accordance therewith.

10.05 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Corporation, the State, the Trustee and the Owners of the Certificates, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Corporation or the Trustee shall be for the sole and exclusive benefit of the Corporation, the State, the Trustee and the Owners, and their respective successors and assigns.

10.06 State, Corporation and Trustee Representatives. Whenever under the provisions hereof the approval of the State, the Corporation or the Trustee is required, or the State, the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the State by the State Representative, Corporation by the Corporation Representative and for the Trustee by the Trustee Representative, and the Corporation, the Trustee and the State shall be authorized to act on any such approval or request.

10.07 Titles, Headings. The titles and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.08 Manner of Giving Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed sufficiently given when delivered electronically, or mailed by certified or registered mail, postage prepaid, addressed as follows: if to the State or the Corporation, to the persons and addresses listed in Section 16.2 of the Financing Lease; if to the Trustee, to U.S. Bank Trust Company, National Association, Global Corporate Trust, 2222 E. Camelback Road, Suite 110, Phoenix, AZ 85016 LM-AZ-2597. The entities listed above may, by written notice, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

10.09 No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the State, the Corporation or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the State, the Corporation or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the State, the Corporation or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the State, the Corporation or the Trustee or any natural person executing this Indenture or any related document or instrument.

10.10 Nature of State Obligations; Need for Appropriations. All of the State's obligations under this Indenture are subject to the State lawfully making an appropriation to pay the amount needed to fulfill the obligation and are binding upon the State only to the extent such an appropriation is made. Nothing herein obligates the State to make any such appropriation.

10.11 Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for the performance of any act or the exercising of any right under this Indenture is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture.

10.12 Severability. In the event that any provision of this Indenture, other than the obligation of the State and the Corporation to deliver the Trust Estate to the Trustee, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.13 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

10.14 Applicable Law. The laws of the State shall be applied in the interpretation, execution and enforcement of this Indenture. The parties and the State consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Indenture and to exclusive venue in the Nevada state district court in Carson City. The parties and the State waive any immunity from suit based on this Indenture they otherwise may have in any lawsuit brought in Nevada district court in Carson City.

10.15 Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Corporation and the Trustee have executed this Indenture as of the date first above written.

NEVADA REAL PROPERTY CORPORATION

By: _____
Zachary B. Conine, President

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Keith Henselen, Trust Officer

[Signature Page to the Indenture of Trust Casa Grande Project]

STATE OF NEVADA)
) ss.
CARSON CITY)

 This instrument was acknowledged before me on _____ by Zachary
B. Conine as the President of the Nevada Real Property Corporation.

 WITNESS my hand and official seal.

(SEAL)

Notary Public

[Notary Page to the Indenture of Trust Casa Grande Project]

State of _____)
) ss.
_____)

This instrument was acknowledged before me on _____ by Keith
Henselen, Trust Officer of U.S. Bank Trust Company, National Association.

WITNESS my hand and official seal.

[SEAL]

Signature of Notary Public

[Notary Page to the Indenture of Trust Casa Grande Project]

APPENDIX A

FORM OF SERIES 2023 CERTIFICATE

**LEASE REVENUE REFUNDING CERTIFICATE OF PARTICIPATION
(Casa Grande Project) Series 2023
Evidencing Assignment of a
Proportionate Undivided Interest in the
Right to Receive Certain Revenues Payable by the**

STATE OF NEVADA

**Under a Lease Purchase Agreement dated as of November 1, 2023 with
NEVADA REAL PROPERTY CORPORATION**

No. _____ \$ _____

<u>Interest Rate:</u>	<u>Maturity Date:</u>	<u>Original Issue Date:</u>	<u>CUSIP</u>
_____%	_____	_____, 2023	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

THIS CERTIFIES THAT THE REGISTERED OWNER (named above), or registered assigns, has a proportionate undivided interest in rights to receive Base Rent, as described below, pursuant to a Lease Purchase Agreement dated as of November 1, 2023 (which Agreement as from time to time amended is referred to herein as the "Financing Lease"), between the NEVADA REAL PROPERTY CORPORATION, a Nevada nonprofit corporation, as lessor (the "Corporation") and State of Nevada, as lessee (the "State") thereunder. The interest of the Registered Owner of this Lease Revenue Refunding Certificate Of Participation (Casa Grande Project) Series 2023 (this "Certificate") is secured as provided in the Financing Lease and in the Indenture of Trust dated as of November 1, 2023 (which Indenture as from time to time amended is herein referred to as the "Indenture"), between the Corporation and U.S. Bank Trust Company, National Association, as Trustee, or its successor (the "Trustee") for the Registered Owners of the Certificates (the "Certificate Owners"), whereby the rights (with certain exceptions) of the Corporation under the Financing Lease have been assigned by the Corporation to the Trustee for the benefit of the Certificate Owners. Pursuant to the Financing Lease and the Indenture, the Registered Owner hereof is entitled to receive, solely out of and to the extent available from the sources hereinafter identified, on the Maturity Date (stated above) (or earlier as hereinafter provided), the Principal Sum (stated above), and interest thereon as described in the Indenture at the Interest Rate (stated above) and payable semiannually on April 1 and October 1 of each year, commencing April 1, 2024. The principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender of this Certificate at the principal corporate trust office of the Trustee; and interest with respect to this Certificate is payable to the

Registered Owner hereof by check or draft of the Trustee to be mailed, or by wire transfer or other electronic means, to such Registered Owner, on or before each interest payment date (or, if such interest payment date is not a Business Day, as defined in the Indenture, on or before the next succeeding Business Day), at the address of such Registered Owner as it last appears in the registration books kept by the Trustee; provided, however, the Trustee may make payments of interest with respect to this Certificate by such alternate means as may be mutually agreed upon by the Registered Owner hereof and the Trustee, with any cost or expense to be paid by the Registered Owner.

The Certificates are not subject to optional prepayment or mandatory sinking fund prepayment prior to their respective maturities.

The Certificates are subject to prepayment in whole at the prices provided in the Indenture (which may be less than par) in certain events following an Event of Nonappropriation or Event of Default under the Financing Lease.

This Certificate is one of a series of Certificates of Participation (Casa Grande Project) Series 2023 evidencing assignments of proportionate undivided interests in rights to receive certain revenues, as described below, pursuant to the Financing Lease and the Indenture, executed and delivered in an aggregate principal amount of \$_____, pursuant to the Indenture for the purpose of refinancing certain outstanding obligations issued to finance the construction and improvement of facility to be used as a detention facility for the State Department of Corrections. Under the Financing Lease the State has agreed, subject to appropriation as provided therein, to pay directly to the Trustee rental payments (the "Base Rentals") in consideration for its right to use the Leased Property, the proceeds of which are required by the Indenture to be distributed by the Trustee to the payment of the principal of and interest with respect to the Certificates. In addition to the Base Rentals, the State has agreed, subject to appropriation as provided in the Financing Lease, to make certain other payments (the "Additional Rentals") sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the State under the Financing Lease.

The obligation of the State to pay Base Rentals and Additional Rentals under the Financing Lease will terminate in the event that the State, for any reason, fails to budget and appropriate, specifically with respect to the Financing Lease, moneys to pay all Base Rentals and reasonably estimated Additional Rentals during the next occurring fiscal year term of the State. In the event that the Lease Term (as defined in the Financing Lease) is terminated by the State as set forth above (herein referred to as an "Event of Nonappropriation") or is terminated by reason of an Event of Default (as defined in the Financing Lease), the principal amount of this Certificate and interest with respect thereto will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from the leasing of or a liquidation of the interest of the Corporation in the Leased Property.

Under certain circumstances, this Certificate and the interest with respect thereto may also be payable from the Net Proceeds (as defined in the Financing Lease) of title or casualty insurance policies or condemnation awards.

Reference is hereby made to the Financing Lease and the Indenture for a description of the rights, duties and obligations of the State, the Corporation, the Trustee and the Certificate Owners, the terms upon which the Certificates are secured, the terms and conditions upon which the Certificates will be deemed to be paid at or prior to maturity or redemption of the Certificates upon the making of provision for the full or partial payment thereof, and the rights of the Certificate Owners upon the occurrence of an Event of Default or an Event of Nonappropriation.

NONE OF THE FINANCING LEASE, THE INDENTURE, OR THE CERTIFICATES CONSTITUTES A GENERAL OBLIGATION OR A DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NONE OF THE FINANCING LEASE, THE INDENTURE OR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE STATE TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR ANY FISCAL YEAR IN WHICH THE FINANCING LEASE SHALL BE IN EFFECT. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE CERTIFICATES AND INCOME FROM THE INVESTMENT THEREOF, FROM NET PROCEEDS OF CERTAIN INSURANCE POLICIES AND CONDEMNATION AWARDS, FROM NET PROCEEDS OF THE LEASING OF OR A LIQUIDATION OF THE LEASED PROPERTY OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, THE CERTIFICATES WILL BE PAYABLE DURING THE LEASE TERM SOLELY FROM BASE RENTALS TO BE PAID BY THE STATE UNDER THE FINANCING LEASE. ALL PAYMENT OBLIGATIONS OF THE STATE UNDER THE FINANCING LEASE, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE STATE TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE STATE IN ANY FISCAL YEAR BEYOND A FISCAL YEAR IN WHICH THE FINANCING LEASE SHALL BE IN EFFECT.

THE FINANCING LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT. IN SUCH EVENT, ALL PAYMENTS FROM THE STATE UNDER THE FINANCING LEASE WILL TERMINATE, AND THE CERTIFICATES AND THE INTEREST WITH RESPECT THERETO WILL BE PAYABLE FROM CERTAIN MONEYS, IF ANY, HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ANY MONEYS MADE AVAILABLE BY ACTION OF THE TRUSTEE REGARDING THE LEASED PROPERTY. THE CORPORATION HAS NO OBLIGATION TO MAKE ANY PAYMENTS ON THE CERTIFICATES. NEITHER THE CERTIFICATES, THE FINANCING LEASE NOR THE INDENTURE SHALL GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION.

The Certificates are executed and delivered solely as fully registered Certificates. The Certificates are not transferable except as provided in the Indenture.

The Trustee may waive an Event of Nonappropriation or an Event of Default under certain circumstances as provided in the Financing Lease and the Indenture.

The Indenture permits amendments thereto and to the Financing Lease, upon the agreement of the State and the Trustee and compliance with the other requirements of the Indenture.

Any consent or request by the Registered Owner of this Certificate shall be conclusive and binding upon such owner and upon all future registered owners of this Certificate and of any Certificate executed and delivered upon the transfer of this Certificate whether or not notation of such consent or request is made upon this Certificate.

This Certificate is executed and delivered with the intent that the laws of the State of Nevada shall govern its legality, validity, enforceability and construction.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Financing Lease, until executed on behalf of the Trustee.

IN WITNESS WHEREOF, this Certificate has been executed with the manual signature of an authorized signatory of the Trustee, all as of the date set forth below.

U.S. Bank Trust Company,
National Association, as Trustee

By: _____
Authorized Signatory

Execution Date: November 1, 2023

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

(Please print or type the name and address of the Transferee)

(Tax Identification or Social Security Number)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with the full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution.

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Certificate in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

[End of Form of Certificate]

APPENDIX B

LEGAL DESCRIPTION

APPENDIX C

PERMITTED INVESTMENTS

1. Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. THESE MAY CONSTITUTE DEFEASANCE OBLIGATIONS.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC).
 - Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
 - Senior Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
 - Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks)
 - Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
 - Senior debt obligations
 - Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)

- Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)
- Debt obligations
- Resolution Funding Corporation (REFCORP)
 - Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

7. Money market funds rated 'AAm' or 'AAm-G' by S&P, or better.

8. "State Obligations", which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated 'A-1+' by S&P and 'MIG-1' by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's provided that:

(a) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(b) The Trustee or a third party acting solely as agent therefor or for the Issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) All other requirements of S&P in respect of repurchase agreements shall be met.

(e) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Issuer or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Certificates;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Issuer and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);

(e) the investment agreement shall provide that if during its term

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be

acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee, and

(f) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(g) The investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate.

ATTACHMENT B3

Lease Purchase Agreement Casa Grande

APNs:162-31-504-006
And 162-31-504-023

When Recorded, Return To:
Kendra S. Follett, Esquire
Sherman & Howard LLC
50 West Liberty Street, Suite 1000
Reno, NV 89501

LEASE PURCHASE AGREEMENT

CASA GRANDE PROJECT

THIS LEASE PURCHASE AGREEMENT (this "Lease" or "Agreement") is dated as of November 1, 2023, between the Nevada Real Property Corporation, as lessor (the "NRPC" or "Lessor"), and the STATE OF NEVADA, acting by and through the Division of State Lands ("State Lands"), of the Department of Conservation and Natural Resources ("CNR"), on behalf of the Department of Corrections (the "Department") as lessee (collectively the "State" or "Lessee").

WHEREAS, in accordance with NRS 353.500 through 353.630 (the "Act"), the Department proposed the construction and use of the Casa Grande detention facility described as follows:

"The Casa Grande project is a re-entry center for non sex offenders who will serve their last four to six months of incarceration in community-based housing provided by the Nevada Department of Corrections, a state agency. The principal tenant of this project will be the Nevada Department of Corrections. The project will enable the Department to provide services to offenders that will help them successfully reintegrate into the community upon their release from custody. The improvements will include a one-story administrative building, administrative offices, offender food service, training and conference rooms, and counseling offices and a two-story housing for up to 400 residents will be provided."

(collectively, the "Financed Facilities," which includes any changes or amendments to the Financed Facilities actually constructed) and financed the construction with proceeds of the "Lease Revenue Certificates of Participation (Casa Grande Project) Series 2004" (the "2004 Certificates"); and

WHEREAS, the State refinanced the 2004 Certificates with proceeds of the "Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2013" (the "2013 Certificates"); and

WHEREAS, in accordance with the Act, a refunding (the "Project") of the 2013 Certificates has been proposed to achieve interest rates savings and/or to effect other economies in with proceeds of the "Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023" (the "2023 Certificates"); and

WHEREAS, in accordance with NRS 353.550, the Financed Facilities have been constructed, the Legislature has appropriated funds for the fiscal year beginning July 1, 2023, and ending June 30, 2024, for allocation to the payments due under a lease-purchase agreement for the Financed Facilities; and

WHEREAS, the Financed Facilities were approved by the Interim Finance Committee (the "IFC") on June 16, 2004; and

WHEREAS, in accordance with the Act, the Department has submitted this Agreement to the State Treasurer, the Chief of the Budget Division of the Department of Administration and the State Land Registrar for their review and transmittal to the State Board of Finance; and

WHEREAS, this Agreement has been approved by the State Board of Finance and the lease of the Premises (as defined below) to the NRPC (the "Ground Lease") has been approved by the State Board of Examiners on August 17, 2004, and the State Board of Finance on September 23, 2004; and

WHEREAS, upon the recommendation of the State Treasurer, the provisions of NRS 353.550(1)(d) prohibiting issuance of certificates of participation in this Agreement have been waived by the State Board of Finance upon its finding that waiving such prohibition is in the best interests of the State and complies with federal securities laws; and

WHEREAS, the NRPC is a not-for-profit corporation created for the purpose of financing, acquiring, and leasing projects to the State and its agencies in accordance with the Act; and

WHEREAS, the NRPC is empowered to acquire property, to enter into agreements with the State and State agencies, including the Department, in furtherance of the purposes of the Act, and to acquire, develop, maintain, and finance real property and improvements, including the Financed Facilities, and to lease such property and improvements to the State or its agencies; and

WHEREAS, pursuant to the Act, the State is authorized to enter into lease-purchase and other agreements extending beyond the biennium in which the agreement is executed for the purpose of acquiring improvements to real property if specified conditions are satisfied; and

WHEREAS, nothing herein obligates the Legislature of the State to make appropriations with which to make Rent (as defined herein) payments hereunder and nothing herein obligates the State to this Agreement beyond the period for which an appropriation sufficient to make payments of Base Rent and Additional Rent (as defined herein) has been made by the Legislature;

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the parties agree:

ARTICLE I

DEFINITIONS

In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings given below unless the context clearly requires otherwise:

"Act" shall mean NRS 353.500 through 353.630, as amended and supplemented.

"Additional Rent" means any payments required to be made hereunder in addition to Base Rent including, but not limited to, NRPC Administrative Costs, all required payments of the costs and expenses of the Trustee not paid with proceeds of the Certificates and payments required to be made into the Reserve Fund as provided in the Indenture.

"Authorized Officer," when used:

a. with respect to the Lessee, means the Director or other CNR official who is designated in writing by the Director as a person authorized to act for the Director for the purposes of this Agreement (when acting as an Authorized Officer hereunder, if a state agency or officer's approval of any action hereunder is needed other than the approval of the Director, it shall be the responsibility of the Director to obtain that other approval or consent before taking the action under this Agreement as Authorized Officer);

b. with respect to Lessor, means the President of Lessor or any other or additional officer of Lessor designated in writing by the President of Lessor for the purposes of this Agreement;

c. with respect to any assignee of Lessor, means the one or more officers or other representatives of the assignee designated in writing by such assignee as an Authorized Officer of Lessor for the purposes of this Agreement.

"Base Rent" means the payments, including the principal and interest components of those payments, specified in Exhibit B.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banks in New York, New York, in the location of the offices of the State Controller or State Treasurer, or in the location of the principal corporate trust office of the Trustee, are authorized by law to remain closed.

"Certificates of Participation" or "Certificates" shall mean the certificates evidencing a right to participate in the payments made by Lessee hereunder issued pursuant to the Indenture.

"Certificate Resolution" shall mean the resolution or resolutions of the NRPC, as amended and supplemented, authorizing the issuance of Certificates of Participation.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder.

"Cost of the Project" shall mean any proper and reasonable cost, whether or not specifically mentioned herein, of the Project, including costs, whether incurred by it or another, (1) of evaluating, analyzing and planning; (2) of administrative, accounting, auditing, legal and other general expenses; (3) of fees and expenses of any trustees, depositories, escrow agents and paying agents, legal counsel, financial advisors, underwriters and other costs pertaining to the issuance of the Certificates; and (4) of interest or financing charges incurred to temporarily finance the payment of any cost items described herein.

"Costs of Delivery Account" means the Cost of Delivery Account for the Project described in the Indenture and held by the Treasurer from which the expenses of the Project will be paid.

"Defeasance Obligations" means (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

"Event of Default" means an Event of Default described in Section 12.1.

"Event of Nonappropriation" means an Event of Nonappropriation described in Section 3.3.

"Financed Facilities" shall mean the leasehold interest in the Premises described in the Ground Lease and improvements thereon and all appurtenances thereto, subject to the encumbrances described in Exhibit A hereto.

"Fiscal Year" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period which may be established hereafter as the Fiscal Year of Lessee for budgeting and appropriation purposes.

"Indenture" means the Indenture of Trust dated as of November 1, 2023, between the NRPC and the Trustee pursuant to which the Certificates will be issued.

"Interest Rate for Advances" means that average of the interest rate per annum announced by the two largest banks in the State, as their "prime rate" or their "base rate" in effect as of any date hereinafter specified.

"Lease" or "Agreement" shall mean this Lease-Purchase Agreement, including any amendments or supplements thereto.

"Lease Payments" or "Rent" shall mean, Base Rent and Additional Rent payable by Lessee in accordance with Article VI with respect to the Project.

"Lease Assignment" means the full and absolute assignment of the Lease by NRPC to the Trustee, including all rights to receive payment hereunder by Lessee as permitted in Section 4.2 hereof.

"Lease Term" shall mean the term of this Agreement as provided in Section 3.2.

"NRPC" or "Lessor" shall mean the Nevada Real Property Corporation, a public not-for-profit corporation, of the State of Nevada.

"NRPC Administrative Costs" shall mean expenses of the NRPC (including reasonable reserves for such expenses) for allocable administration and general expenses of the NRPC, expenses for maintenance and repairs, insurance premiums, utility charges, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under the Certificate Resolution, bond insurance, guaranty and/or letter of credit fees, interest and finance charges, and any other expenses or contingencies to be paid or provided for by the NRPC, all to the extent properly attributable to the Project and payable by the NRPC. NRPC Administrative Costs shall not include any Cost of the Project or any provision for depreciation, amortization or similar charges or any expenses for maintenance and repairs, utility services or insurance to be paid for or provided by the State.

"Premises" shall mean the real property described in Exhibit A attached hereto and incorporated herein, all improvements thereon, and all appurtenances thereto, subject to the encumbrances described therein.

"Project" shall mean the refunding of the 2013 Certificates, funding the Reserve Fund, if any, and paying the Cost of the Project.

"Redemption Account" means the account created in the Indenture and designated as the "Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023, Redemption Account."

"Trustee" means U.S. Bank Trust Company, National Association, and any successor thereto.

ARTICLE II

EFFECTIVE DATE

SECTION 2.1 Effective Date. This Agreement shall be effective as of the date stated above upon its execution.

ARTICLE III

LEASE OF PROJECT; TERM OF LEASE

SECTION 3.1 Lease of the Project. The NRPC hereby leases the Financed Facilities to the State and the State hereby leases the Financed Facilities from the NRPC upon the terms and conditions set forth herein.

SECTION 3.2 Term of Lease. This Agreement shall be in full force and effect from the effective date hereof for a term expiring on the earlier of:

- (a) April 1, 2031;
- (b) the date this Agreement is terminated by the Lessee as provided in Section 3.3;
- (c) the date on which this Agreement is terminated by Lessor under Section 12.2; or
- (d) the date the Lessee acquires the Financed Facilities pursuant to Article 15 hereof.

"Lease Term" shall mean the period between the effective date hereof and the date on which this Agreement terminates (the "Termination Date") as provided in the foregoing sentence.

SECTION 3.3 Termination Upon Nonappropriation.

(a) Upon enactment by the legislature of a legislative measure constituting a budget appropriation for a Fiscal Year, but in no event later than 15th of July of the Fiscal Year, the Department of Administration shall certify to the Authorized Office of the Lessee that funds have or have not been appropriated for the Fiscal Year in a sufficient amount to prevent termination under paragraph (b). The Authorized Officer of the Lessee will advise the Trustee promptly and in no case later than the first day of August of each Fiscal Year whether funds have been appropriated for the Fiscal Year sufficient to prevent this Lease from terminating under paragraph (b).

(i) No determination of nonappropriation shall be made unless (A) there is a failure of the legislature to appropriate money to the Department for the Financed Facilities in an amount at least equal to payments due pursuant to this Agreement or (B) the legislature by express terms of a statute provides that, of the funds appropriated to the Department for the Financed Facilities, no amount or an insufficient amount is available for payments due pursuant to this Agreement.

(ii) The Lessee shall substantially follow the form attached hereto (Attachment A) in rendering the certification required herein.

(b) This Lease shall terminate as of the first day of October of any Fiscal Year for which funds have not been appropriated for the Lease Payments required under this Lease in an amount sufficient to pay Base Rent (taking into account any credits from capitalized interest as provided in Section 6.2(i) hereof) and reasonably anticipated Additional Rent due in that Fiscal Year. Upon the occurrence of such a termination, Lessee shall not be obligated to make Lease Payments hereunder with respect to the Fiscal Year for which such Termination occurs, but shall be obligated to make payments hereunder with respect to any period prior to the start of such Fiscal Year, to the extent sums have been appropriated for that purpose.

(c) If this Lease is terminated as a result of non-appropriation of funds for Lease Payments required hereunder (an "Event of Nonappropriation"), Lessee shall relinquish to Lessor all of Lessee's rights, title and interest in and to the Financed Facilities. Lessee shall, at the option of Lessor, execute and deliver all such releases, instruments of conveyance or documents as may be necessary or appropriate to evidence and effectuate the aforesaid relinquishment and/or conveyance to Lessor. The provisions of this subsection (c) shall survive the termination, as aforesaid, of this Lease.

(d) As provided in NRS 353.550:

(i) All obligations of the State and any state agency are extinguished by the failure of the legislature to appropriate money for the ensuing Fiscal Year for payments due pursuant to this Agreement;

(ii) This Agreement does not encumber any property of the State or any state agency except for the Financed Facilities that are leased under this Agreement;

(iii) Property of the State of Nevada and of any state agency, except for the Financed Facilities that are leased under this Agreement, must not be forfeited if:

(1) The legislature fails to appropriate money for payments due pursuant to this Agreement; or

(2) The State of Nevada or any state agency breaches this Agreement;

(iv) For the 2023-2025 biennium in which this Agreement is executed, this Agreement does not require payments that are greater than the amount authorized for such payments pursuant to the applicable budget of the state agency.

ARTICLE IV

REFINANCING, ASSIGNMENTS AND FINANCING

SECTION 4.1 Refinancing of Financed Facilities; Assignment of Contracts.

Pursuant to NRS 353.590, refinancing of the Financed Facilities shall be conducted as specified in this Agreement.

(a) The Lessee, acting on behalf of Lessor, hereby agrees that it will make all contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be necessary, requisite or proper for the Financed Facilities. The Director is responsible for administering the Financed Facilities on behalf of Lessee. The Lessee agrees to comply with all applicable law in connection with the making of contracts for the Financed Facilities. The Lessee and the Lessor further agree, notwithstanding anything to the contrary contained in this Agreement, the Indenture or the Ground Lease, that all plans and specifications for the Financed Facilities shall be entered into, obtained, made or approved, as appropriate, by the Lessee.

(b) The Financed Facilities have been constructed. The Lessee may change the description of the Financed Facilities so long as such changes do not cause the Financed Facilities to be suitable only for purposes other than lawful governmental purposes of the Lessee. So long as this Agreement is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Lessee shall have full power to carry out the acts and agreements provided in this Section, and such power is granted and conferred under this Agreement to the Lessee, and is accepted by the Lessee and shall not be terminated or restricted by act of the Lessor, the Trustee or the Lessee, except as provided in this Section.

(c) All property interests of the State in the improvements constructed as part of the Financed Facilities (including all work in progress, materials, supplies and other personal property being incorporated or to be incorporated into the Financed Facilities) shall be the property of Lessor, subject to the provisions of the Ground Lease.

(d) So long as no Event of Nonappropriation or Event of Default shall occur, and so long as the Lessee's right to control the Financed Facilities has not otherwise been terminated pursuant to subsection (c) hereof, the Treasurer shall disburse moneys from the Costs of Delivery Account in payment of the Cost of the Project. Under the Indenture, the Lessor has authorized and directed the Treasurer to disburse moneys from the Costs of Delivery Account to pay the Cost of the Project as provided herein. The Lessee hereby consents and agrees to such disbursements by the Treasurer.

SECTION 4.2 Assignments.

(a) Subject only to (i) the prior written consent of the Trustee, if any, and if none, of the Lessor (ii) receipt of written confirmation that the then outstanding ratings of the Certificates will not be adversely affected thereby, and (iii) Lessee's delivery of an opinion of nationally recognized bond counsel that such assignment, transfer, or other disposition will not adversely affect the excludability from gross income for federal income tax purposes of the interest component of Base Rent payments and of the interest with respect to the Certificates, Lessee may assign, transfer, pledge, hypothecate or grant any security interest in or otherwise dispose of this Agreement, or the Financed Facilities, or any interest in this Agreement or the Financed Facilities, inclusive of Lessee's options to purchase granted in Article XV, above. In addition, provided it does not violate Section 11.5 hereof, Lessee may sublease the Financed Facilities or permit it to be operated by anyone other than Lessee, Lessee's employees or persons authorized by Lessee in connection with Lessee's operation and maintenance for the Financed Facilities provided that

Lessee continues to be responsible for Lease Payments and all expenses of assignment or subletting.

(b) Lessor shall assign, without recourse, all of its rights, title and interests and responsibilities and obligations in and to this Agreement, the Financed Facilities and any documents executed with respect to this Agreement to the Trustee, pursuant to the Indenture. Upon such an assignment by NRPC, NRPC shall have no further obligations under the Lease. Those assigned rights, title and interest of Lessor may be further assigned, and the assignees may grant or assign a security interest in this Agreement and the Financed Facilities, in whole or in part. Any such assignee shall have all of the rights and obligations of Lessor which are transferred under this Agreement. Upon such assignment, Lessor or its assignee will cause written notice of the assignment to be sent to Lessee and no further action will be required by Lessor or its assignee or by Lessee to evidence the assignment, but Lessee will acknowledge such assignment in writing if so requested. Trustee, as assignee, is a beneficiary of all representations and warranties made by the State in this Agreement and in the Ground Lease.

(c) Lessee acknowledges that Lessor will assign to Trustee, Lessor's rights, title and interest under this Agreement. Such an assignment will be made in order to facilitate the issuance of the Certificates, and Lessee agrees to reasonably cooperate with Lessor in any such Certificate offering. Lessee will make such disclosures as are necessary to comply with Rule 15c2-12 of the Securities Exchange Commission of the United States and sign a certificate evidencing such an agreement.

(d) Subject to the preceding subsections, this Agreement inures to the benefit of and is binding upon the successors or assigns of the parties to this Agreement.

SECTION 4.3 Financing the Project and the Cost of the Project. The NRPC agrees to use its best efforts to have the Certificates promptly issued. All proceeds received from the sale of the Certificates shall be applied to the Project as provided in Section 2.06(b) of the Indenture. Interest earned on proceeds of the Certificates, excluding proceeds in the Redemption Account, shall be applied in the circumstances described in the Indenture to the Cost of the Project or to pay the principal of and interest on the Certificates as provided in the Indenture.

ARTICLE V

USE OF FINANCED FACILITIES

SECTION 5.1 Use of Financed Facilities. The Financed Facilities may be used by CNR or for any other permitted public uses as may be lawful and in the best interests of the State. The NRPC agrees that the State may enter into such agreements as may be reasonable and appropriate with private persons or companies for the purpose of operating the Financed Facilities provided such agreements do not adversely affect the exclusion of interest on the Certificates of Participation from gross income for purposes of federal income taxation or subject the Financed Facilities to ad valorem property taxes.

ARTICLE VI

RENT

SECTION 6.1 Payment of Rent. In consideration of the lease of the Financed Facilities, the Lessee shall pay, Rent computed as follows:

(a) As Base Rent, without any set off or deduction whatsoever the amounts shown in the "Total Base Rent" column of Exhibit B, on the date those amounts are due. Such payments shall be made by wire transfer directly to the Trustee, as assignee of Lessor's rights to receive Base Rental payments.

(b) As Additional Rent, the amounts due hereunder in addition to Base Rent. In addition to third parties to whom additional rent is paid, NRPC shall be entitled to receive Additional Rent for its reasonable NRPC Administrative Costs attributable to the Financed Facilities as they become due and are paid by NRPC, as approved by the Director, provided that the legislature has budgeted sufficient funds to pay those expenses. The NRPC will provide to the State an estimate of its NRPC Administrative Costs for each biennium commencing on July 1 of each odd numbered year not later than June 15 of the calendar year preceding the calendar year in which each biennium commences.

Any installment of Rent which is not paid by Lessee on or before the due date thereof shall, from and after said due date, bear interest until paid at the highest rate per annum attributable to any of the Installments of Base Rent as shown in Exhibit B hereto; time being of the absolute essence of this obligation.

SECTION 6.2 Credits against Base Rent . There shall be credited against the amount of Base Rent otherwise payable hereunder amounts equal to (i) any earnings or the proceeds of the Certificates that are applied to payment of Base Rent as provided in the Indenture; (ii) any moneys paid as Base Rent as provided in Section 10.1 hereof; and (iii) any moneys otherwise deposited with the Trustee, invested in Defeasance Obligations that mature on or before one or more Base Rent Payment Dates and directed by the Authorized Officer to be applied toward designated amounts of Base Rent (not to exceed the amount available as a result of the maturity of such securities) on those designated Base Rent payment dates. Twenty-five (25) days prior to the date on which any payment of Base Rent is due, the Trustee shall notify the Authorized Officer as to the exact amounts which will be applied in reduction of Base Rent due on such date. If further amounts applicable in reduction of Base Rent accrue during such 25-day period, such amounts shall be applied as a reduction of the next succeeding payment of Base Rent or, if such date is the final payment date, then such accrued amounts shall be applied as a reduction of the final payment of Base Rent. Base Rent is also subject to prepayment in whole or in part by the State if it provides money or Defeasance Obligations to the Trustee sufficient to prepay or defease designated amounts of designated maturities of the Certificates in the time and manner provided in the Indenture together with instructions designating the amounts and maturities to be so prepaid or defeased and specifying the prepayment date or dates, if any, and in such an event, the Base Rent due after such a defeasance or prepayment (which shall consist of an amounts sufficient to timely pay all principal and interest due with respect to the remaining Outstanding (as defined in the Indenture) Certificates) shall be recalculated by the Trustee and an amended Exhibit B shall be provided by

Trustee to attach hereto. In addition, in the event of the issuance of Additional Certificates as provided in Section 2.10 of the Indenture, Base Rent due shall be recalculated by the Trustee and an amended Exhibit B shall be provided by Trustee to attach hereto.

SECTION 6.3 Best Efforts to obtain Appropriation. The State Treasurer and the Department shall use their reasonable best efforts to include sufficient funds to include in the State's budget for that biennium all Lease Payments due in each biennium.

ARTICLE VII

OPERATION AND MAINTENANCE OF THE FINANCED FACILITIES

SECTION 7.1 Operation, Repairs, and Maintenance. The State shall, throughout the term of this Agreement, at the State's cost and expense, keep and maintain the Financed Facilities and all equipment, fixtures, additions and improvements thereof in good order and condition and shall make all ordinary and necessary repairs, renewals, and replacements with respect to the Financed Facilities.

SECTION 7.2 Taxes and Utilities. The State shall timely pay all taxes, assessments, costs, expenses, charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Financed Facilities during the term of this Agreement.

SECTION 7.3 Insurance.

(a) The State shall provide the following insurance for the Financed Facilities and shall include NRPC in its property and liability insurance programs at all times during the Lease Term:

(i) The Financed Facilities shall be insured under property insurance policy at 100% of replacement cost (to the extent such insurance is reasonably available) or included in a self-insurance program with similar protections;

(ii) The State shall also maintain liability insurance for the Financed Facilities (to the extent such insurance is reasonably available) or include the Financed Facilities in a self-insurance program for liability risks;

(b) Insurance policies shall be procured from companies authorized to do business in the State of Nevada and which have an A.M. Best rating of A- VII or better. The State shall include NRPC as a named insured on its liability insurance policy and include NRPC and the Trustee as Additional Insureds as their interest may appear, on its property insurance policy or protect the interests of NRPC and the Trustee to a similar extent through its self-insurance program.

(c) The NRPC and the State hereby release each other from any and all liability or responsibility to the other as to any person claiming through or under either by way of subrogation or otherwise for any loss or damage to property caused by any casualty insured by the above-described insurance coverages, even if the loss is caused by the fault or negligence of the other party or by any party for whom the other party is responsible.

(d) The State shall, by October 1 of each year, certify to the Trustee that it has in effect the insurance coverage described above for the period described in such certificate. If the coverage applies for a period shorter than 12 months, a new certificate indicating that the State has the insurance coverage described above shall be provided in the last month covered by the prior certificate.

SECTION 7.4 Payments by Lessor. If Lessee fails to pay operation, repair or maintenance expenses or taxes, assessments and other charges as required by Sections 7.1 and 7.2, or to pay insurance premiums or to maintain insurance as required by Section 7.3, Lessor, or Trustee, may (but shall not be obligated to), upon 10 days, advance written notice to Lessee, advance and apply moneys to pay any such required charges or items. Any moneys so advanced shall be payable by Lessee as Additional Rent on written demand therefor and shall bear interest from the date of advancement at the Interest Rate for Advances.

ARTICLE VIII

INDEMNITY

SECTION 8.1 Indemnification. The State hereby agrees to defend, protect, hold harmless and indemnify the NRPC and its agents, employees, representatives, successors, and assigns (including the Trustee), against all demands, claims, liabilities, causes of action or judgments, and all loss, expense and damage of any and every sort and kind, including, but not limited to, costs of investigations and attorneys' fees and other costs of defense, for:

(a) injury to person or property occurring in, upon or about the Financed Facilities or any adjacent or related real property or improvements owned, occupied or controlled by the State or any of its agencies, departments, bureaus or other state governmental entities;

(b) injury to person or property arising out of the use or occupancy of the Financed Facilities or relating in any manner to operations conducted thereon;

(c) any other premises liability relating to the Financed Facilities including, without limitation, any environmental liabilities;

(d) any loss to person or property to the extent of its self-insurance, if any;

(e) all liability whatsoever arising out of any public or governmental activities of the State of any kind or nature whatsoever; and

(f) the acceptance and performance of the duties and obligations of the Trustee under the Indenture and any documents related to the 2023 Certificates.

The State's obligation to indemnify the NRPC shall be subject to the limitations set forth in NRS Chapter 41 and this Section 8.1 specifically does not waive the State's limited liability.

ARTICLE IX

ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

SECTION 9.1 Alterations, Additions, and Improvements. The State shall have the right, at any time and from time to time during the term of this Agreement, at the State's costs and expense, to make such repairs, replacements, alterations, additions, expansions and improvements, structural or otherwise, to the Financed Facilities and the furniture, fixtures and equipment thereof, as the State shall deem necessary or desirable in connection with its use of the Financed Facilities. All such repairs, replacements, alterations, additions and improvements shall be of such character as to not materially reduce or otherwise materially adversely affect the value of the Financed Facilities or the rental value thereof and all the costs thereof shall be promptly paid or discharged so that the Financed Facilities shall at all times be free of liens or claims for labor and materials supplied thereto. All repairs, replacements, alterations, additions, fixtures and permanent improvement to the Financed Facilities shall be and become a part of the Financed Facilities and subject to this Agreement.

ARTICLE X

DAMAGE, DESTRUCTION, AND CONDEMNATION

SECTION 10.1 Damage, Destruction, or Condemnation. In the event of damage, destruction, or condemnation of the Financed Facilities, or any part thereof, the net proceeds of any insurance or condemnation awards with respect to the Financed Facilities and, to the extent necessary, the proceeds of any additional Certificates of Participation which are issued pursuant to an agreement of the parties hereto, shall be used and applied to repair, restore, rebuild, or replace the Financed Facilities. In case of any damage to or destruction of the Financed Facilities or any part thereof, Lessee will promptly give or cause to be given written notice thereof to Lessor generally describing the nature and extent of such damage or destruction. There shall be no abatement or diminution of Base Rent and Lessee shall, whether or not the net proceeds of insurance, if any, received on account of such damage or destruction shall be sufficient for such purpose, promptly commence and complete, or cause to be commenced and completed, the repair or restoration of the Financed Facilities as nearly as practicable to the value and condition thereof existing immediately prior to such damage or destruction, with such changes or alterations, however, as Lessee may deem necessary for proper operation of the Financed Facilities. The net proceeds of any insurance, self-insurance program payments or condemnation available (the "Net Proceeds") shall be held by Trustee. If an Event of Nonappropriation or Event of Default has not occurred Net Proceeds shall applied to the costs of such repair or restoration of the Financed Facilities as such costs are incurred by Lessee, except that Net Proceeds of any lost income or lost rental insurance policies (or such components of insurance policies) shall be applied to payment of Base Rent.

In the event of total destruction or condemnation of the Financed Facilities, so long as an Event of Nonappropriation or Event of Default has not occurred, Lessor and Lessee shall apply Net Proceeds and any other moneys available for the purpose, to the acquisition and installation of replacement facilities to constitute the Financed Facilities, unless Lessee exercises its option to purchase the Financed Facilities pursuant to Article 15.

If an Event of Nonappropriation or an Event of Default has occurred before the receipt of Net Proceeds, the Trustee, acting on behalf of the Lessor, may use such proceeds to improve the Financed Facilities or to make a disbursement as provided in Articles IV and VII of the Indenture, as the Trustee may deem appropriate in the best interests of the Owners (as defined in the Indenture) of the Certificates.

SECTION 10.2 Eminent Domain. Lessee hereby covenants and agrees that to the extent it may lawfully do so, during the Lease Term, Lessee will not exercise the power of condemnation with respect to the Financed Facilities. Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if Lessee should fail or refuse to abide by such covenant and condemns the Financed Facilities, the appraised value of the Financed Facilities shall not be less than the amount necessary to defease the then outstanding Certificates in accordance with Section 15.3.

ARTICLE XI

PARTICULAR COVENANTS

SECTION 11.1 Compliance with Laws and Regulations. The State shall, at its own cost and expense, promptly comply with, or cause to be complied with, all laws and ordinances, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the State, the Financed Facilities or the use or manner of use of the Financed Facilities. The State shall also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Financed Facilities.

SECTION 11.2 Covenant Against Waste. The State covenants not to do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Financed Facilities and agrees to pay all costs, changes, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Financed Facilities or premises thereof.

SECTION 11.3 Right of Inspection. The State covenants and agrees to permit the NRPC and its authorized agents and representatives to enter the Financed Facilities at reasonable times during usual business hours for the purpose of inspecting the same, subject to reasonable security requirements and procedures of the State, including Ch. 402.

SECTION 11.4 Condition of Financed Facilities. The NRPC makes no representation or warranty regarding the condition of the Financed Facilities or land underlying or adjacent thereto and the NRPC shall not be liable for any latent or patent defects in the Financed Facilities. The NRPC agrees, however, to cooperate in enforcing any claims or warranties arising under the Financed Facilities for the benefit of the State.

SECTION 11.5 Tax Covenants.

(a) Lessee covenants for the benefit of the Lessor and the holders of any Certificates, that it will not take any action or omit to take any action with respect to this Agreement, the proceeds of any such Certificates, any other funds of Lessee or the Financed

Facilities if such action or omission (i) would cause the interest component of Base Rent to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause the interest component of Base Rent to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full of Base Rent or the termination of this Agreement until the date on which all obligations of Lessee in fulfilling the above covenant under the Code have been met; provided that this covenant does not prohibit Lessee from determining to discontinue making appropriations to pay amounts due hereunder as provided in Section 3.3, and does not apply to any actions or inactions with respect to any periods of time after this Agreement is terminated pursuant to Section 3.3. The Lessee makes no covenant with respect to taxation of interest on the interest Component of the Base Rent as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Code).

(b) Lessee covenants and agrees to execute and deliver a tax certificate concurrently with the execution and delivery of any Certificates in form and substance reasonably satisfactory to permit bond counsel to opine that the interest component of Base Rent is excluded from gross income for federal income tax purposes.

SECTION 11.6 Covenant of Quiet Enjoyment. NRPC covenants that it has full right, power and authority to enter into this Agreement and that, so long as the State shall pay the Rent and shall duly observe all of its covenants and agreements in this Agreement, the State shall have, hold, and enjoy, during the Lease Term, peaceful, quiet, and undisputed possession of the Financed Facilities.

SECTION 11.7 Covenant Not to Encumber Financed Facilities. Neither Lessor nor Lessee shall encumber the Financed Facilities in any manner except for

(a) Permitted encumbrances (as defined below); and

(b) Encumbrances for the benefit of the Trustee and Certificate owners contemplated in the Indenture.

ARTICLE XII

DEFAULT

SECTION 12.1 Events of Default.

(a) The following shall be events of default under this Agreement:

(i) Failure by the State to pay Base Rent as the same shall become due for any reason other than an Event of Nonappropriation, or

(ii) Lessee's failure to make any other or any other payment pursuant to this Agreement when due for any reason other than an Event of Nonappropriation, and the continuing failure to make such payment for a period of sixty (60) Business Days following receipt of notice of failure to make payment; or

(iii) Lessee's failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Agreement, and the failure is not cured within 60 days after written notice of the failure to Lessee, provided that if Lessee proceeds to take curative action that, if begun and prosecuted with due diligence, cannot be reasonably completed within the 60 day period, that period may be extended to any extent necessary to enable Lessee to complete the curative action diligently; or

(iv) a receiver, liquidator or trustee shall be appointed for Lessee; or Lessee shall be adjudicated as bankrupt or insolvent; or any petition for bankruptcy or arrangement pursuant to the federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Lessee.

(b) Notwithstanding the foregoing, if, by reason of Force Majeure (as defined below), Lessee is unable to perform or observe any agreement, term or condition of this Agreement, other than any obligation to make the Lease Payments required under this Agreement, Lessee shall not be deemed in default during the continuance of such inability. However, Lessee shall use its best efforts to remove or diminish the effects thereof, provided that the settlement of strikes or other labor disturbances shall be entirely within the discretion of the Lessee. For the purpose of this subsection, the term "Force Majeure" means, without limitation, the following:

(i) acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or any civil or military authority, other than the State (with respect to Lessee only); insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any other cause, circumstance or event not reasonably within the control of Lessee, as the case may be.

SECTION 12.2 Remedies.

(a) Upon the occurrence of an Event of Default, and as long as the Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies; provided, however, that there shall be no right under any circumstances to accelerate the maturities of Base Rent payments or to otherwise declare any Base Rent not then past due or in default to be immediately due and payable:

(i) By written notice to Lessee, request Lessee to (and Lessee agrees that it will) promptly return possession of the Financed Facilities to Lessor, and/or, at Lessor's option, Lessor may enter upon the Financed Facilities and take immediate possession thereof, provided, however, Lessee shall be entitled to ten (10) days to vacate the Financed Facilities premises and conduct its affairs during such time without interference by Lessor;

(ii) Terminate this Agreement and the option to purchase granted hereunder and sublease or sell its rights to the Financed Facilities (subject to the Ground Lease).

(iii) Sublease the Financed Facilities for the account of Lessee, holding Lessee liable for all applicable Lease Payments and other payments due during the Lease Term to the effective date of such subleasing and for the difference between the rental and other amounts paid by the sublessee pursuant to such sublease and the amounts payable during the then current Lease Term by Lessee under this Agreement; or

(iv) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, to enforce the terms of this Agreement, or to recover damages for the breach of this Agreement or to rescind this Agreement as to the Financed Facilities.

(b) Lessee will remain liable for all covenants and obligations under this Agreement, and for all legal fees and other costs and expenses to the extent permitted by law, including court costs awarded by a court of competent jurisdiction upon final adjudication, incurred by Lessor with respect to the enforcement of any of the remedies under this Agreement, which liability shall survive any termination of this Agreement.

(c) No remedy conferred or reserved to Lessor by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair or be construed to be a waiver of any such right or power, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in this Agreement.

(d) If an Event of Default occurs and Lessor incurs expenses, including attorneys' fees and expenses, in connection with the enforcement of or the collection of amounts due under this Agreement, Lessee shall reimburse Lessor for the expenses so incurred upon demand, together with interest thereon from the date of demand for payment at the Interest Rate for Advances.

(e) No failure by Lessor to insist upon strict performance by Lessee of any provision of this Agreement shall constitute a waiver of Lessor's right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by Lessee to observe or comply with any provision of this Agreement.

ARTICLE XIII

SURRENDER OF FINANCED FACILITIES

SECTION 13.1 Surrender of Financed Facilities. In the event that the State fails to appropriate funds to pay Rent due hereunder or this Agreement is otherwise terminated due to an Event of Default or Event of Nonappropriation, the State shall immediately quit and surrender the Financed Facilities to the NRPC in good condition, ordinary wear and tear excepted.

ARTICLE XIV

LIMITATION ON OBLIGATIONS

SECTION 14.1 Obligations of the NRPC and the State Limited to Certain Resources . Notwithstanding any other provisions of this Agreement, no obligation assumed by or imposed upon the NRPC by this Agreement shall require the performance of any act by the NRPC except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Certificates of Participation or from other funds legally available to the NRPC to meet the cost and expense of such performance.

No obligation assumed by or imposed upon the State by this Agreement shall require the performance of any act by the State, including, but not limited to, the payment of Rent, except to the extent that funds may be available for such performance or payment from State appropriations or other funds legally available therefor. This Agreement shall not be construed as obligating the Legislature of the State of Nevada to make future appropriations for the payment of Rent or the performance of any other obligations under this Agreement. In the event that appropriated funds are not legally available for payment of Rent or other obligations hereunder, then this Agreement shall be terminated. The liability of the State for payment of Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Financed Facilities.

ARTICLE XV

RIGHT TO PURCHASE

SECTION 15.1 Right to Purchase. At any time following the Effective Date stated in Section 2.1, if there is not then existing an Event of Default which would not be cured or remedied by the payments provided for in this Section, Lessee, upon five (5) days' prior written notice to the Lessor and Trustee, has the right to purchase the Financed Facilities on any date by paying to Trustee the amount necessary to defease Base Rent due under this Lease pursuant to Section 15.3. Thereafter, upon payment of that purchase price, Lessor and Trustee shall convey all their right, title and interest in the Financed Facilities to Lessee, in accordance with Section 15.2. If Lessee has paid all of Base Rent hereunder listed on Exhibit B and all Additional Rent due, and this Agreement terminates pursuant to Section 3.2(a) hereof, Lessee shall be deemed to have exercised its option to purchase the Financed Facilities unless it otherwise notifies Lessor and Trustee in writing.

SECTION 15.2 Transfer of Title

(a) Upon Lessee's exercise of the purchase option granted in Section 15.1, the Financed Facilities shall become the property of Lessee unencumbered by this Agreement and all of Lessor's right, title and interest in the Financed Facilities shall pass to Lessee or at its direction, to its designee. In such case, Lessor and its assignee, if any, or both, as the case may be, agree to execute such instruments and do such things as Lessee's reasonably requests, all at the expense of Lessee, in order to effectuate transfer of any and all of Lessor's right, title and interest in the Financed Facilities to Lessee or its designee. Unless otherwise directed in writing by Lessee, title

shall be vested in "the State of Nevada acting by and through the Department of Conservation and Natural Resources."

(b) Upon any transfer of title hereunder the transferor's interest in the Financed Facilities shall be conveyed free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights-of-way of record, leases or other tenancy agreements and other matters of record, except (i) the lien with respect to current taxes, not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything of record or not of record that in any way affects title to the Financed Facilities resulting from acts or omissions of Lessee or consented to by Lessee, (iv) any liens and encumbrances now existing listed on Exhibit A, or placed on the Financed Facilities during the Lease Term by Lessee and Lessor jointly or otherwise expressly allowed by Lessor and Lessee in writing, (v) easements and rights of way granted by the State pursuant to paragraph 5 of the Ground Lease, and (vi) any defects in title, covenants, conditions, restrictions, easements, rights-of-way of record listed in Exhibit A hereto (the items described in clauses (i), (ii), (iv), (v) and (vi) above are herein "Permitted Encumbrances").

SECTION 15.3 Defeasance.

(a) All Base Rent will be deemed to be paid when:

(i) money or Defeasance Obligations or a combination thereof which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient moneys to pay when due the principal and interest on and any other payments (including redemption premiums) in connection with all then outstanding Certificates to the final maturity date thereof or to a date on which such Certificates have been called for prior redemption is irrevocably deposited in trust with a commercial bank with trust powers and irrevocably set aside exclusively to make such payments, and

(ii) all reasonable, necessary and proper fees, compensation and expenses of Trustee pertaining to the Lease and Trustee's duties in connection therewith and with the Certificates are paid or provided for to the satisfaction of Trustee.

(b) When all Base Rent is deemed paid, as provided above, and Trustee has received the written legal opinion of nationally recognized bond counsel to the effect that the deposit of money or Defeasance Obligations in trust will not cause the interest components of Base Rent, thereafter payable from those sources, to be subject to federal income tax under the Code, Lessor (and any Certificate holder) will be entitled to payment of that Base Rent solely from that money or the proceeds of those Defeasance Obligations and the right, title and interest of Lessor and Trustee under this Agreement as to the Financed Facilities shall then cease, terminate and become void, and Lessee, or its designee shall succeed to all right, title and interest in the Financed Facilities, subject however, to any requirements which shall survive any such termination. The Lessor shall then execute such instruments and undertake all such acts, all at the expense of Lessee including, without limitation, recording fees, transfer taxes if applicable, and reasonable attorneys' fees to evidence transfer of all remaining title interest in the Financed Facilities to Lessee or Lessee's designee.

ARTICLE XVI

MISCELLANEOUS

SECTION 16.1 Pledge of Rent, Approval of Indenture. It is expressly understood and agreed by the parties hereto that the NRPC will pledge and assign Base Rent and its rights and interest under this Agreement to the Trustee under the Indenture. The form of the Indenture has been provided to Lessee and Lessee hereby approves the Indenture and agrees to the provisions therein that apply to the State.

SECTION 16.2 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the second business day following the day on which the same are mailed by electronic mail or certified mail, postage prepaid, addressed as follows:

(a) If to the State, to each of the following:

(i) to the State Treasurer, 101 N. Carson, #4, Carson City, Nevada 89701;

(ii) to State Lands, to the attention of the Administrator, 901 S. Stewart Street, Suite 5003, Carson City, Nevada 89701-5246;

(b) If to the NRPC, to the attention of President, Nevada Real Property Corporation, 101 N. Carson, #4, Carson City, Nevada 89701.

The State or the NRPC may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notice may be also given by personal delivery of a written notice if to the State by serving the written notice upon the Treasurer, the Director and the Administrator or if to the NRPC by serving the written notice upon its President.

SECTION 16.3 Severability. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 16.4 Attorney Fees. In the event either party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

SECTION 16.5 Headings. The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 16.6 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16.7 Amendments. The NRPC and the State shall not, without the written consent of the Trustee as provided in the Indenture, consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Agreement which will reduce the payments required to be made by the State hereunder or which will in any manner materially impair or adversely affect the rights of the NRPC hereunder, and any action by the NRPC or the State in violation of this covenant shall be null and void as to the NRPC and the State.

SECTION 16.8 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Agreement and to exclusive venue in the Nevada state district court in Carson City. The parties waive any immunity from suit based on this Agreement they otherwise may have in any lawsuit brought in Nevada district court in Carson City.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed as of the day and year first hereinabove set forth.

NEVADA REAL PROPERTY CORPORATION

By: _____
Zachary B. Conine, President

STATE OF NEVADA:

By the Division of State Lands of the Department of
Conservation and Natural Resources

By _____
Charles Donohue, Administrator

Approved by the Department of Corrections

By: _____
James Dzurenda, Director

Executed by the Governor of the State of Nevada

Joe Lombardo, Governor

[Signature Page to Lease Purchase Agreement Casa Grande Project]

STATE OF NEVADA)
) ss.
_____)

This instrument was acknowledged before me on _____ by Zachary B.
Conine as President of the Nevada Real Property Corporation.

(SEAL)

Notary Public

[Notary Page to Lease Purchase Agreement Casa Grande Project]

STATE OF NEVADA)
) ss.
_____)

This instrument was acknowledged before me on _____ by Charles Donohue as Administrator of the Division of State Lands of the Department of Conservation and Natural Resources.

(SEAL)

Notary Public

[Notary Page to Lease Purchase Agreement Casa Grande Project]

STATE OF NEVADA)
) ss.
_____)

This instrument was acknowledged before me on _____ by James
Dzurenda as Director of the Department of Corrections.

(SEAL)

Notary Public

[Notary Page to Lease Purchase Agreement Casa Grande Project]

STATE OF NEVADA)
) ss.
_____)

This instrument was acknowledged before me on _____ by Joe Lombardo
as Governor of the State of Nevada.

(SEAL)

Notary Public

[Notary Page to Lease Purchase Agreement Casa Grande Project]

EXHIBIT A

(insert legal description of Parcel #1 and parcel #2 and title exceptions)

Parcel # 1.

THE WEST HALF (W 1/2) OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 31, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.M., CLARK COUNTY, NEVADA.

EXCEPTING THEREFROM THAT PORTION OF QUAIL AVENUE AS CONVEYED TO THE COUNTY OF CLARK AS RECORDED IN THAT GRANT, BARGAIN, SALE DEED RECORDED JANUARY 30, 1989 IN BOOK 890130 AS DOCUMENT NO. 00450 OF OFFICIAL RECORDS.

End of Legal Description.

This legal description was prepared by:

Horizon Surveys

9901 Covington Cross Drive

Suite 190

Las Vegas, Nevada 89144

Title Exceptions:

1. TAXES FOR THIS PROPERTY ARE EXEMPT, FOR FURTHER QUESTIONS PLEASE CONTACT THE CLARK COUNTY TREASURER'S OFFICE AT 702-455-4323.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 361.260 of the NEVADA REVISED STATUTES.
3. The herein described property lies within the boundaries of the CLARK COUNTY SANITATION DISTRICT AND LAS VEGAS VALLEY WATER DISTRICT and is subject to any and all fees that may be due said District.
4. Water rights, Claims, or Title to Water, whether or not shown by the public records.
5. Any Special Assessments which may be due and payable that are not assessed through the Clark County Treasurers Office and are being billed by the entity where the parcel is located.
6. PATENT: Mineral rights, reservations, easements and exclusions in the patent from the United States of America recorded AUGUST 26, 1968, in Book 895 as Document No. 718920, of Official Records

7. PATENT: Mineral rights, reservations, easements and exclusions in the patent from the United States of America recorded JANUARY 28, 2000, in Book 20000128 as Document No. 00939, of Official Records.
8. ROAD DEDICATION: A road dedication together with rights incidental thereto, as conveyed to the County of Clark in that Grant, Bargain Sale Deed, recorded January 30, 1989 in Book 890130 as Document No. 00450 of Official Records.

Affects: A portion of Quail Avenue

9. SURVEY: The effect of the following Record of Survey:
Performed By : SAM LONG
File : 86, of Surveys
Page No. : 11
Recorded : NOVEMBER 22, 1996
Book No. : 961122
Document No.: 01303, Official Records.
10. EASEMENT: An easement affecting the portion of said land, and for the purposes stated herein, and incidental purposes.
In Favor Of : COUNTY OF CLARK
For : STORMWATER CONVEYANCE FACILITIES
Recorded : FEBRUARY 3, 1998
Book No. : 980203
Document No.: 00458, Official Records
11. EASEMENT: An easement affecting the portion of said land, and for the purposes stated herein, and incidental purposes.
In Favor Of : CLARK COUNTY SANITATION DISTRICT
For : SEWAGE LINES
Recorded : MAY 9, 2002
Book No. : 20020509
Document No.: 00461, Official Records
12. EASEMENT: An easement affecting the portion of said land, and for the purposes stated herein, and incidental purposes.
In Favor Of : COUNTY OF CLARK
For : PERPETUAL AVIGATION
Recorded : JULY 25, 2001
Book No. : 20010725
Document No.: 02839, Official Records
13. Terms, Covenants, Conditions and Provisions in that certain instrument entitled "DEDICATION", for the OUTFALL CHANNEL PROJECT recorded February 6, 2004, in Book 20040206 of Official Records, as Document Number 00780.
14. N/A

15. N/A
16. The rights and interest of parties in possession of the premises described herein under any unrecorded leases and/or agreements, the terms and conditions of which are unknown.
17. EASEMENTS: Any easements not disclosed by those public records which impart constructive notice, and which are not visible and apparent from an inspection of the surface of said land.
18. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
19. MATTERS DISCLOSED BY INSPECTION: Any facts, rights, interest of claims which are not shown by the public records, but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

Parcel # 2:

Being a portion of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section 31, Township 21 South, Range 61 East, M.D.M., Clark County, Nevada, described as follows:

Commencing at the northeast corner of said Section 31, said point also being the centerline intersection of Russell Road and Valley View Boulevard; thence along the north line thereof and centerline of said Russell Road, South 89°51'35" West, 516.44 feet; thence departing said north line and street centerline, South 00°13'09" West, 50.00 feet to the south right-of-way of said Russell Road and the Point of Beginning "A"; thence departing said south right-of-way, South 00°13'09" West, 281.22 feet; thence South 89°50'50" West, 172.03 feet; thence South 00°11'57" West, 301.26 feet to the north right-of-way of Quail Avenue; thence along said north right-of-way, South 89°50'04" West, 171.93 feet; thence departing said north right-of-way, North 00°10'45" East, 301.29 feet; thence South 89°50'50" West, 10.44 feet to Point "1"; thence North 00°00'00" West, 281.30 feet to the south right-of-way of said Russell Road; thence along said south right-of-way, North 89°51'35" East, 355.58 feet to Point of Beginning "A".

Together with the following described Land: Commencing at the aforementioned Point "1"; thence South 89°50'50" West, 161.59 feet to Point of Beginning "B"; thence South 00°09'33" West, 301.33 feet to the north right-of-way of said Quail Avenue; thence along said north right-of-way, South 89°50'04" West, 171.93 feet; thence departing said south right-of-way, North 00°08'21" East, 300.68 feet; thence South 89°51'39" East, 60.00 feet; North 00°08'21" East, 0.99 feet; thence North 89°50'50" East, 112.03 feet to Point of Beginning "B".

Excepting therefrom any portion of the Tropicana Outfall Channel Project Flood Control right-of-way recorded in Book 20040206, Instrument Number 00780, Official Records of Clark County, Nevada. Containing 4.67 acres gross; 4.53 acres net, more or less.

Basis of Bearing

South 89°51'35" West, being the north line of the Northeast Quarter (NE 1/4) of the Northeast Quarter

(NE 1/4) of Section 31, Township 21 South, Range 61 East, M.D.M., Clark County, Nevada, as shown in File 118 of Surveys, at Page 87, Official Records of Clark County, Nevada.
End of Legal Description.

This legal description was prepared by:
Michael G. Smith, PLS
Horizon Surveys
9901 Covington Cross Drive
Suite 190
Las Vegas, Nevada 89144

Exceptions:

1. TAXES FOR THIS PROPERTY ARE EXEMPT, FOR FURTHER QUESTIONS PLEASE CONTACT THE CLARK COUNTY TREASURER'S OFFICE AT 702-455-4323.
2. The Lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 361.260 of the NEVADA REVISED STATUTES.
3. The herein described property lies within the boundaries of the CLARK COUNTY SANITATION DISTRICT AND LAS VEGAS VALLEY WATER DISTRICT and is subject to any and all fees that may be due said District.
4. Water rights, Claims, or Title to Water, whether or not shown by the public records
5. Any Special Assessments which may be due and payable that are not assessed through the Clark County Treasurers Office and are being billed by the entity where the parcel is located.
6. PATENT: Mineral rights, reservations, easements and exclusions in the patent from the United States of America recorded APRIL 2, 1999, in Book 990402 as Document No. 01628, of Official Records.
7. RIGHT OF WAY: Right-of-Way Grant affecting the portion of said land and for the purposes stated herein, and incidental purposes

In Favor of	NEVADA POWER COMPANY#
For	ROAD PURPOSES
Recorded :	ARIL 29, 1980
Book No. :	1220
Document No.:	1179503, Official Records

8. RIGHT OF WAY: Right-of-Way Grant affecting the portion of said land and for the purposes stated herein, and incidental purposes
In Favor of CLARK COUNTY
For ROADWAY AND PUBLIC UTILITIES
Recorded : APRIL 27, 1992

Book No. : 920427
Document No.: 00972, Official Records

AND AMENDED DECEMBER 11, 1995, IN BOOK 951211 AS DOCUMENT NO. 00900 OF OFFICIAL RECORDS.

AND AMENDED JUNE 25, 1996, IN BOOK 960625 AS DOCUMENT NO. 00877 OF OFFICIAL RECORDS

9. Easements as reserved in that certain Order of Vacation
Recorded : FEBRUARY 18, 1994
Book 940218
Document No.: 01099, Official Records
10. SURVEY: The effect of the following Record of Survey:
Performed by SAM LONG
File 86, of Surveys
Page No. : 11
Recorded : NOVEMBER 22, 1996
Book No. 961122
Document No. 01303, Official Records.
11. ROAD DEDICATION: A road dedication together with rights incidental thereto, as dedicated to the County of Clark in the Document, recorded DECEMBER 20, 1999, in Book 991220 as Document No. 00988 of Official Records.

Affects: A PORTION OF RUSSELL ROAD AND QUAIL AVENUE
12. Terms, Covenants, Conditions and Provisions in that certain instrument entitled "RESTRICTIVE COVENANT RUNNING WITH THE LAND", recorded AUGUST 1, 2001, in Book 20010801 of Official Records, as Document Number 01580.
13. SURVEY: The effects of the following Record of Survey:
Performed by: ANTHONY ZICARI
File 118, of Surveys
Page No. : 87
Recorded : OCTOBER 30, 2001
Book No. : 20011030
Document No. 01500, Official Records
14. EASEMENT: A Boundary Line Adjustment together with rights incidental thereto, as reserved in the Deed, recorded OCTOBER 30, 2001, in Book 20011030 as Document No. 01501 of Official Records.

Affects: Boundary Lines

15. Terms, Covenants, Conditions and Provisions in that certain instrument entitled "DEDICATION", for the TROPICANA OUTFALL CHANNEL PROJECT recorded FEBRUARY 6, 2004, in Book 20040206 of Official Records, as Document Number 00780.
16. N/A
17. The rights and interest of parties in possession of the premises described herein under any unrecorded leases and/or agreements, the terms and conditions of which are unknown.
18. EASEMENTS: Any easements not disclosed by those public records which impart constructive notice, and which are not visible and apparent from an inspection of the surface of said land.
19. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

MATTERS DISCLOSED BY INSPECTION: Any facts, rights, interests of claims which are not shown by the public records, but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

EXHIBIT B

Payment		Principal	Interest	Total Base
Due	Interest	Base Rent	Base Rent	Rent
Date	Rate	Due	Due	Due

Payment		Principal	Interest	Total Base
Due	Interest	Base Rent	Base Rent	Rent
Date	Rate	Due	Due	Due

ATTACHMENT A

[On Department of Administration letterhead]

Date:

To: The Authorized Officer of the Lessee

From: STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

Subject: Certification that sufficient funds have/have not been appropriated for Fiscal Year _____ for Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023 ("the Project")

Pursuant to subsection 3.3(a) of the Lease Purchase Agreement ("LPA") relating to the Project, the undersigned hereby certifies as follows (check one):

- ☐ That funds have been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement ("LPA") pursuant to paragraph b of subsection 3.3 thereof.
- ☐ That funds have **not** been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement ("LPA") pursuant to paragraph b of subsection 3.3 thereof. Check, as applicable:

_____ the Legislature did not appropriate money to the Department of Corrections for the Financed Facilities (as defined in the LPA) in an amount at least equal to payments due pursuant to this Agreement

_____ the legislature, by express terms of a statute, provided that, of the funds appropriated to Department of Corrections for the Financed Facilities, no amount or an insufficient amount shall be available for payments due pursuant to this Agreement.

Department of Administration

Dated: _____

By: _____
Name:
Title:

ATTACHMENT C1

NRPC Resolution NSU

RESOLUTION OF NEVADA REAL PROPERTY CORPORATION
RELATING TO THE NEVADA STATE UNIVERSITY PROJECT BY ISSUANCE
OF LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION (NEVADA
STATE UNIVERSITY PROJECT) SERIES 2023.

WHEREAS, the Nevada Real Property Corporation (the "Corporation") desires to assist the State of Nevada (the "State") acting by and through the Nevada System of Higher Education ("NSHE") in the proposed refinancing of the construction of a nursing/science/education building and a student activities/administration building and related improvements (the "Project"); and

WHEREAS, NSHE has entered into a ground lease (the "Ground Lease") whereby NSHE has leased to the Corporation certain property (the "Premises") on which the Project and related improvements have been constructed; and

WHEREAS, the State acting by and through NSHE proposes to enter into a lease purchase agreement (the "Lease Purchase Agreement") whereby the State acting by and through NSHE will lease from the Corporation the Premises and the Project; and

WHEREAS, the Corporation proposes to refinance the costs of the Project by issuing its Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023 (the "2023 Certificates") in accordance with the proposed Indenture of Trust (the "Indenture") and Escrow Agreement between NRPC and the escrow agent (the "Escrow Agent") and as described in the Preliminary Official Statement (the "POS"); and

WHEREAS, the proposed Lease Purchase Agreement (the "Lease Documents") and the Indenture, the Escrow Agreement, the Disclosure Dissemination Agent Agreement and the POS (collectively the "Financing Documents") have been or will be reviewed and approved by the State as required by NRS 353.500 to 353.630, inclusively, and the provisions of paragraph (d) of subsection 1 of NRS 353.550 have been or will be waived thereby prior to the issuance of the 2023 Certificates on behalf of the State; and

WHEREAS, the Lease Documents and the Financing Documents have been filed with the Board of Directors of the Corporation;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NEVADA REAL PROPERTY CORPORATION:

Section 1. That the Lease Documents and the Financing Documents, in the forms presented with such changes as may be approved by the President of the Corporation whose execution of such documents shall be conclusive evidence of such officer's approval of any such changes, are hereby approved. The President and Secretary are hereby authorized to execute and deliver the Lease Documents and the Financing Documents on behalf of the Corporation.

Section 2. That the preparation and distribution of the POS is hereby approved, ratified and confirmed. That the President is hereby authorized to approve an Official Statement pertaining to the 2023 Certificates conforming generally to the POS and the distribution thereof

is hereby approved. The President or such officer's designee is authorized to deem the POS to be a "final" official statement on behalf of the Corporation for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 3. That the President and Secretary are hereby authorized to approve, authorize and execute such other documents as may be necessary or appropriate to implement the transactions contemplated by the Lease Documents and the Financing Documents.

Section 4. This Certificate Resolution shall be effective September 14, 2023.

President
Nevada Real Property Corporation

ATTACHMENT C2

Indenture of Trust NSU

APN: 189-03-110-002

When Recorded, Return To:

Kendra S. Follett, Esquire
Sherman & Howard LLC
50 West Liberty Street, Suite 1000
Reno, NV 89501

INDENTURE OF TRUST

between

NEVADA REAL PROPERTY CORPORATION

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

as Trustee

Dated as of November 1, 2023

**LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION
(NEVADA STATE UNIVERSITY PROJECT) SERIES 2023**

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THIS INDENTURE OF TRUST (this "Indenture") is dated as of November 1, 2023, and is entered into between the **NEVADA REAL PROPERTY CORPORATION**, a nonprofit corporation duly organized and validly existing under the laws of the State of Nevada, as grantor (the "Corporation"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Corporation (a) is a nonprofit corporation that is duly organized, validly existing, and in good standing under the laws of the State of Nevada (the "State"), (b) is duly qualified to do business in the State and (c) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to grant the Trust Estate (defined herein) to the Trustee and to execute, deliver and perform its obligations under this Indenture; and

WHEREAS, the Trustee (a) is a national banking association that is duly organized, validly existing, and in good standing under the laws of the United States of America and (b) is authorized, under its articles of association, action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture;

WHEREAS, the Corporation, as lessor, and the State, acting by and through the Nevada System of Higher Education ("NSHE"), as lessee, have entered into a Lease Purchase Agreement dated as of November 1, 2023 (the "Financing Lease") pursuant to which the Corporation has leased certain property (as defined herein, the "Leased Property") to the State by and through NSHE and the State by and through NSHE has agreed to pay Base Rent and Additional Rent (as defined in the Financing Lease), subject, in each case, to the terms of the Financing Lease; and

WHEREAS, the site of the Leased Property (the "Land"), is leased to the Corporation pursuant to the Ground Lease dated as of November 1, 2013 (the "Ground Lease") between the Corporation and NSHE, and thereafter subleased to the State by and through NSHE by the Corporation under the Financing Lease; and

WHEREAS, the Trustee has previously delivered the "Lease Revenue Certificates of Participation (Nevada State College Project) Series 2013" (the "2013 Certificates"); and

WHEREAS, the State, acting by and through NSHE, has requested that the Trustee deliver the "Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023" (the "2023 Certificates") in order to refund the 2013 Certificates for interest rate savings and/or to effect other economies; and

WHEREAS, the Certificates shall evidence undivided interests in the right to receive Base Rent, shall be payable solely from the Trust Estate (defined herein), and no provision of the Certificates, this Indenture, the Financing Lease, or the Ground Lease shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in any Fiscal Year (defined herein) in excess of amounts appropriated for such Fiscal Year; (b) obligating any

appropriation by the State or other financial obligation whatsoever of the State; or (c) as a delegation of governmental powers by the State; and

WHEREAS, the 2023 Certificates and any Additional Certificates issued pursuant hereto (as defined herein) (collectively, the "Certificates") shall be special, limited obligations payable solely from the Trust Estate (defined herein) on the terms provided herein; and

WHEREAS, the Trustee has entered into this Indenture for and on behalf of the Owners (defined herein), and will, except as otherwise specifically provided herein, hold its rights hereunder, including its rights with respect to the Trust Estate, for the equal and proportionate benefit of the Owners, and will disburse moneys received by it in accordance with this Indenture; and

WHEREAS, the Assignment made herein by the Corporation to the Trustee of the Trust Estate is without recourse to the Corporation and the parties acknowledge that neither the Trustee nor any person claiming through the Trustee shall have any recourse or rights against the Corporation under the Ground Lease or the Financing Lease; and

WHEREAS, all things necessary to make the Certificates, when executed, delivered, and authenticated by the Trustee and as in this Indenture provided, legal, valid, and binding obligations enforceable against the Corporation and the Trustee in accordance with terms thereof, and to constitute this Indenture a legal, valid and binding instrument for the security of the Certificates in accordance with the terms hereof, have been done and performed;

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants, and warranties herein contained, the parties hereto agree as follows:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Corporation, in consideration of the premises and the mutual covenants herein contained and for the benefit of the Owners, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on all Certificates at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Certificates and herein contained, and to declare the terms and conditions upon and subject to which the Certificates are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, warranted, mortgaged, alienated, remised, released, conveyed, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, mortgage, alien, remise, release, convey, assign, pledge, set over and confirm unto the Trustee and to its successors and assigns forever, without recourse, all and singular the following described property, franchises and income, including any title therein acquired after these presents:

(a) the Leased Property and the tenements, hereditaments, appurtenance, rights, privileges, and immunities thereto belonging or appertaining, subject to the terms of the Financing Lease including, but not limited to, the terms of the Financing Lease permitting the existence of Permitted Encumbrances (as defined in the Financing Lease);

- (b) all rights, title, and interest of the Corporation in, to, and under the Ground Lease;
- (c) all rights, title, and interest of the Corporation in, to, and under the Financing Lease, other than the rights, title, and interest of the Corporation with respect to certain payments or reimbursement to the Corporation thereunder for its costs, fees, and expenses;
- (d) all Base Rent and Additional Rent (defined in the Financing Lease);
- (e) the purchase price specified in Section 15.1 of the Financing Lease (the "Purchase Option Price") if paid; and
- (f) all money and securities from time to time held by the Trustee under this Indenture in the Debt Service Fund, the Reserve Fund and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specially mortgaged, pledged or hypothecated, as and for additional security hereunder, by the Corporation, or by anyone on its behalf, in favor of the Trustee, (including all monies, proceeds on other things of value received from leasing, renting or selling or otherwise transferring any portion of the Trust Estate as provided herein after an Event of Default) which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

SUBJECT, HOWEVER to:

- (a) the Corporation's retention of its rights to indemnification and payment of its expenses under the Financing Lease;
- (b) the rights of third parties to Additional Rentals payable to them under the Financing Lease;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Owners, without privilege, priority, or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates, except as otherwise provided herein;

PROVIDED, HOWEVER, that if the principal of the Certificates and the interest due or to become due thereon, shall be paid at the times and in the manner mentioned in the Certificates, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Certificates secured hereunder are to be executed, authenticated and delivered and all said

property, rights, interests, revenues, and receipts hereby pledged, assigned, and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee for the benefit of the Owners, as follows:

ARTICLE I DEFINITIONS

The following terms shall have the following meanings in this Indenture:

"Additional Certificates" means any Certificates issued after the issuance of the 2023 Certificates pursuant to Section 2.10 hereof.

"Additional Rent" or *"Additional Rentals"* means "Additional Rent" as such term is defined in the Financing Lease.

"Base Rent" or *"Base Rentals"* means "Base Rent" as such term is defined in the Financing Lease.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banks in New York, New York, in the location of the offices of the State Controller or State Treasurer, or in the location of the principal corporate trust office of the Trustee, are authorized by law to remain closed.

"2023 Certificates" means the certificates authorized by Section 2.03 hereof.

"Certificates" means the 2023 Certificates and any Additional Certificates.

"Code" means the Internal Revenue Code of 1986, as amended to the date of issuance of the 2023 Certificates.

"Corporation" means Nevada Real Property Corporation, or any successor thereto.

"Corporation Representative" means the President of the Corporation, any director, officer, or any other representative who is designated in writing by the President, any director or officer as a person authorized to act for the President for the purposes of this Indenture.

"Costs" or *"Costs of the Project"* means, with respect to each Project and the Certificates issued to finance such Project, all costs and expenses to be incurred, and the reimbursement to the State and the Corporation for all costs and expenses heretofore incurred by the State and the Corporation, including, without limitation:

- (a) the Cost of the Project (as defined in the Financing Lease);
- (b) payments to the Reserve Fund or any account thereof to establish or maintain the Reserve Fund Requirement;

(c) the Costs of Delivery; and

(d) any and all other costs necessary to effect the Project or to acquire or improve any Leased Property to the extent the same are permitted by the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates.

"*Costs of Delivery*" means administrative costs of the execution and delivery of any Certificates, including but not limited to the initial compensation and expenses of the Trustee prior to the date of delivery of the 2023 Certificates and the escrow agent under the Escrow Agreement, any fees and expenses of any underwriter or financial advisor that provides services in connection with the execution and delivery of any 2023 Certificates, any fees or expenses of the State and the Corporation in connection with the execution and delivery of any 2023 Certificates, legal fees, and expenses, costs incurred in obtaining ratings from rating agencies, 2023 Certificate insurance premiums, costs of immediately available funds, costs of publication, printing and engraving, accountants' fees and recording and filing fees.

"*Costs of Delivery Account*" means the special account held by the State Treasurer and discussed in Section 3.03 hereof.

"*Debt Service Fund*" means the special fund created pursuant to Section 3.01 hereof.

"*Defeasance Securities*" means (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

"*Escrow Account*" means the account created under the Escrow Agreement.

"*Escrow Agreement*" means the Escrow Agreement with the trustee for the 2013 Certificates, as escrow agent.

"*Event of Default*" means (a) when used with respect to the Financing Lease, an event described in Section 12.1 thereof and (b) when used with respect to this Indenture, an event described in Section 7.01 hereof.

"*Event of Nonappropriation*" means, when used with respect to the Financing Lease, an event resulting in the termination of the Financing Lease described in Section 3.3 of the Financing Lease.

"*Financed Facilities*" means the construction and improvement of certain buildings and facilities for Nevada State University, formerly Nevada State College.

"*Financing Lease*" means the Lease Purchase Agreement dated as of November 1, 2023, between the Corporation and the State and any amendment or supplement thereto.

"*Fiscal Year*" means the State's fiscal year, which begins on July 1 of each calendar year and ends on June 30 of the following calendar year.

"*Fitch*" means Fitch IBCA, Inc. and its successors and assigns.

"*Indenture*" means this Indenture of Trust and any amendment or supplement hereto.

"*Initial Purchaser*" means (a) with respect to the 2023 Certificates, the initial purchaser of the 2023 Certificates on the date of delivery thereof, and (b) with respect to any Additional Certificates, the purchasers designated as such in any Supplemental Indenture.

"*Interest Component*" means with respect to each payment of Base Rent, that portion of the Base Rent so designated in Exhibit B of the Financing Lease.

"*Interest Payment Date*" means June 1 and December 1 of each year, (a) beginning on June 1, 2024, with respect to the 2023 Certificates and (b) beginning on June 1 or December 1 specified in the Supplemental Indenture entered into in connection with such Certificates with respect to any Additional Certificates.

"*Land*" means the Land described in Appendix B hereto, which is the same land that is leased by the Corporation to the State, acting by and through NSHE, pursuant to the Financing Lease.

"*Lease Revenues*" means (a) the Base Rentals; (b) the Purchase Option Price, if paid; (c) any Net Proceeds; (d) any portion of the proceeds of any Certificates deposited with or by the Trustee in the Debt Service Fund to pay accrued interest on the Certificates; (e) any earnings on moneys on deposit in the Debt Service Fund and Reserve Fund; (f) all other revenues derived from the Financing Lease, excluding Additional Rentals (other than Reserve Fund payments made to the Trustee pursuant to Section 3.02(e) hereof); and (g) any other moneys to which the Trustee may be entitled for the benefit of the Owners.

"*Lease Term*" has the meaning ascribed to it in the Financing Lease.

"*Leased Property*" means the Land and the Financed Facilities and any other property that may be defined as part of the Leased Property by any Supplemental Indenture.

"*Moody's*" means Moody's Investor Service and its successors and assigns.

"*Net Proceeds*," when used with respect to the Leased Property, has the meaning ascribed to it in the Financing Lease.

"*Operations Center*" means the operations center of the Trustee in St. Paul, Minnesota.

"*Opinion of Counsel*" means a written opinion of legal counsel, who may be counsel to the Trustee or the Corporation or the State

"*Outstanding*" means all Certificates which have been executed and delivered, except:

- (a) Certificates canceled or which shall have been surrendered to the Trustee for cancellation;
- (b) Certificates in lieu of which other Certificates have been executed under Section 2.07 or 2.08 hereof;
- (c) Certificates which have been prepaid as provided in Article IV hereof (including Certificates prepaid on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the prepayment date as provided in Section 4.01 hereof);
- (d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to Section 3.06 hereof; and
- (e) Certificates which are otherwise deemed discharged pursuant to Section 10.01 hereof.

"*Owner*" of a Certificate means the registered owner of any Certificate as shown in the registration records of the Trustee.

"*Person*" means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body, or other organization or association.

"*Permitted Encumbrances*," when used with respect to the Leased Property, has the meaning ascribed to it in the Financing Lease.

"*Permitted Investments*" means any security or other obligation that (i) is a legal investment of funds of the State under NRS Section 355.140 and (ii) is listed in Appendix C hereto.

"*Principal Component*" means with respect to each payment of Base Rent, that portion of the Base Rent so designated in Exhibit B of the Financing Lease.

"*Project*" means the payment, refunding and defeasance of the outstanding 2013 Certificates by depositing a portion of the proceeds of the 2013 Certificates, together with other available moneys, with the escrow agent for the 2013 Certificates, the costs of funding the Reserve Fund, if any, and the payment of expenses incidental thereto, as provided in the Lease and the Indenture and any other project that may be defined as a Project by any Supplemental Indenture.

"*Purchase Option Price*" is the price provided in Section 15.1 of the Financing Lease.

"*Qualified Surety Bond*" means a surety bond issued by an insurance company rated in the highest rating category by S&P, Moody's, and Fitch.

"*Rebate Fund*" means the special fund created pursuant to Section 3.05 hereof.

"*Record Date*" means, with respect to each Interest Payment Date, the fifteenth day of the month immediately preceding the month (whether or not a Business Day) in which the Interest Payment Date occurs.

"*Refunded Certificate Requirements*" means the payment of (i) the interest due on the 2013 Certificates, both accrued and not accrued, as the same becomes due on and after the date of delivery of the 2023 Certificates and on and before their redemption date; and (ii) the principal of the 2013 Certificates upon prior redemption on their redemption date.

"*Requirement of Law*" means any federal, state, or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety matters.

"*Reserve Fund*" means the special fund created pursuant to Section 3.02 hereof.

"*Reserve Fund Requirement*" means for the 2023 Certificates \$0 and for any series of Additional Certificates for which a deposit to the Reserve Fund may be required, which shall not exceed the lesser of (i) 10% of the stated principal amount of such Certificates, (ii) the maximum debt service due on the then outstanding amount of such Certificates in any Fiscal Year and (iii) 125% of the average Fiscal Year debt service due on the then outstanding amount of such Certificates.

"*Special Counsel*" means (a) as of the date of issuance of the 2023 Certificates, Sherman & Howard, LLC and (b) as of any other date, Sherman & Howard, LLC, or such other attorneys selected by the State with nationally recognized expertise in the issuance of municipal obligations.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with Section 2.02 hereof.

"*State*" means the State of Nevada, acting by and through the Nevada System of Higher Education.

"*State Representative*" means the State Treasurer (the "Treasurer"), a deputy of the Treasurer, or any other person who is designated in writing by the Treasurer or a deputy as a person authorized to act for the Treasurer for the purposes of this Indenture. When acting as a State Representative hereunder, if a state agency or officer's approval of any action hereunder is needed other than the approval of the Treasurer, means the Chancellor or other NSHE official who is designated in writing by the Chancellor as a person authorized to act for the Chancellor for the purposes of this Indenture.

"*Supplemental Indenture*" means any indenture supplementing or amending this Indenture that is adopted pursuant to Article IX hereof.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc., and its successors and assigns.

"Trust Estate" means the property mortgaged, pledged, and assigned to the Trustee pursuant to the granting clauses hereof. The Trust Estate does not include the Rebate Fund or any escrow accounts established pursuant to Section 10.01 hereof.

"Trustee" means U.S. Bank Trust Company, National Association acting in the capacity of trustee pursuant hereto, and any successor thereto appointed hereunder.

"Trustee Representative" means any vice president or assistant vice president of the Trustee or such other representative as a duly authorized officer of the Trustee shall designate in writing.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND DELIVERY OF CERTIFICATES

2.01 Authorized Amount of Certificates. No Certificates may be executed and delivered hereunder except in accordance with this Article. The aggregate principal amount of Certificates that may be executed and delivered hereunder shall not be limited in amount.

2.02 Denomination, Payment of Interest on Certificates.

(a) The Certificates shall be sold, executed, and delivered hereunder, for the purpose of paying the Costs of the Project.

(b) The Certificates shall be deliverable only as fully registered Certificates in denominations of \$5,000 and any integral multiple thereof (provided that no Certificate may be in a denomination which exceeds the Principal component of Base Rent coming due on any Rent Payment Date and no individual Certificate may be executed and delivered for more than one Rent Payment Date). The Certificates shall be numbered in such manner as shall be determined by the Trustee.

(c) The principal of any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior prepayment thereof and upon presentation and surrender at the Operations Center. Payment of interest with respect to the Certificates shall be made by check or draft of the Trustee mailed, or by wire transfer or other electronic means, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, electronically or otherwise to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of

payment of interest may be used if mutually agreed to in writing between the Owner of any Certificate and the Trustee.

2.03 2023 Certificate Details.

(a) The 2023 Certificates designated as the "Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023" evidencing undivided interests in the right to receive certain revenues payable by the State under the Financing Lease (the "2023 Certificates") shall be executed and delivered in the aggregate principal amount of \$_____. The 2023 Certificates shall be dated as of _____, 2023, and shall mature on the dates and in the amounts set forth below and shall evidence interest from their original dated date to maturity at the rates per annum shown below computed on the basis of a 360 day year of twelve 30 day months, payable on each Interest Payment Date; except that 2023 Certificates which are reissued upon transfer, exchange or other replacement shall evidence interest at the rates per annum shown below 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 original dated date of the 2023 Certificates:

Maturity Date	Principal Amount	Annual Interest Rate
06/01/2024		\$ %
06/01/2025		
06/01/2026		
06/01/2027		
06/01/2028		
06/01/2029		
06/01/2030		
06/01/2031		
06/01/2032		
06/01/2033		
06/01/2034		
06/01/2035		
06/01/2036		
06/01/2037		
06/01/2038		
06/01/2039		
06/01/2040		
06/01/2041		
06/01/2042		
06/01/2043		

The total Principal Components and Interest Components due on all Certificates shall not exceed the total Base Rent due under the Financing Lease.

(b) The 2023 Certificates shall be executed and delivered in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the Trustee executing the same (whose manual, electronic or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations, and agreements contained in the 2023 Certificates and this Indenture are hereby approved and adopted as the covenants, statements, representations, and agreements of the Trustee. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Indenture and is incorporated herein as if set forth in full in the body of this Indenture.

2.04 Limited Obligations. Each Certificate shall represent an undivided interest in the right to receive Base Rent and shall be secured by and payable solely from the Trust Estate in accordance with, and subject to the terms of this Indenture. No provision of the Certificates, this Indenture, the Financing Lease, or the Ground Lease shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) requiring the State to make an appropriation; or (c) as a delegation of governmental powers by the State.

2.05 Execution and Authentication of Certificates. The manual, facsimile or electronic signature of a duly authorized signatory of the Trustee shall appear on each Certificate. Any Certificate shall be deemed to have been executed by a duly authorized signatory of the Trustee if signed by the Trustee, but it shall not be necessary that the same signatory sign all of the Certificates executed and delivered hereunder. If any signatory of the Trustee whose signature appears on a Certificate shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained a duly authorized signatory of the Trustee until delivery.

2.06 Delivery of Certificates. Upon the execution and delivery of this Indenture, and, with respect to any Additional Certificates, the execution, and delivery of any Supplemental Indenture relating to such Additional Certificates, the Trustee shall execute and deliver such Certificates to the Initial Purchasers thereof, as hereinafter in this Section provided:

(a) Prior to the delivery by the Trustee of any of such Certificates, there shall have been filed with the Trustee (i) an originally executed counterpart of this Indenture and any Supplemental Indenture relating to such Certificates, and (ii) certified copies of any other instruments to be executed and delivered by the Corporation in connection with such Certificates, which, in the case of the 2023 Certificates, shall include, but not be limited to, the Financing Lease and the Ground Lease.

(b) Thereupon, the Trustee shall deliver such Certificates to the Initial Purchaser thereof, upon payment to the Trustee of the agreed purchase price or as provided herein. The agreed purchase price of the 2023 Certificates consists of the principal amount of the 2023 Certificates of \$_____, plus original issue premium of \$_____, less the Initial Purchaser's discount of \$_____, which sum shall be applied as follows: (i) the amount required to establish the Reserve Fund Requirement for the 2023 Certificates (\$0) shall be deposited into the Reserve Fund; (iii) \$_____ shall be wired by the Initial Purchaser to the Treasurer for deposit into the Costs of Delivery Account; and (iv) the remainder shall be

deposited into the Escrow Account[, together with \$_____ on deposit in the debt service reserve fund with the trustee for the 2013 Certificates], which shall be applied solely to the payment of Refunded Certificate Requirements.

2.07 Mutilated, Lost, Stolen, or Destroyed Certificates. In the event that any Certificate is mutilated, lost, stolen, or destroyed, a new Certificate may be executed on behalf of the Trustee, of like series date, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that the Trustee shall have received such evidence, information or indemnity from the Owner of the Certificate as it may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee. In the event that any such Certificate shall have matured, instead of issuing a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in this connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

2.08 Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates.

(a) (i) Records for the registration and transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar for the Certificates. The principal of and interest with respect to any Certificate shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned.

(ii) Fully registered Certificates may be exchanged at the Operations Center for an equal aggregate principal amount of fully registered Certificates of the same maturity of other authorized denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

(iii) The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees, or other governmental charges required to be paid with respect to such exchange or transfer.

(iv) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day the Trustee gives the notice calling any Certificates for prior prepayment and ending at the close of business on the day of such notice, or (ii) all or any portion of a Certificate after the giving of the notice calling such Certificate or any portion thereof for prior prepayment.

(b) Notwithstanding the foregoing provisions of subsections (a) hereof, the Certificates shall initially be evidenced by one Certificate for each year in which the applicable series of Certificates mature in denominations equal to the aggregate principal amount of the Certificates maturing in that year. Such initially delivered Certificates shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Certificates. The Certificates may not thereafter be transferred or exchanged except:

(i) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in subsection 3 of NRS § 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(ii) upon the resignation of The Depository Trust Company or a successor under clause (1) or new depository under this clause (2) or a determination by the Trustee 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 Trustee of another depository institution acceptable to the Trustee and to the depository then holding the Certificates, which new depository institution must be both a "clearing corporation" as defined in subsection 3 of 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

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

(c) 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 (b) hereof or designation of a new depository pursuant to clause (2) of subsection (b) hereof, upon receipt of the Certificates by the Trustee, together with written instructions for transfer satisfactory to the Trustee, a new Certificate for each maturity of the Certificates then Outstanding 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 (b) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Certificates as provided in clause (3) of subsection (b) hereof, and upon receipt of the Certificates by the Trustee, together with written instructions for transfer satisfactory to the Trustee, new Certificates shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 2.02(a) hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions: however, the Trustee shall not be required to deliver such new Certificates within a period of less than 60 days from the date of receipt of such written transfer instructions.

(d) Except as otherwise provided herein with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Certificate shall

be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest with respect to any Certificate shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

2.09 Cancellation of Certificates. Whenever any Outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Section 2.07 or 2.08 hereof, such Certificates shall be promptly cancelled by the Trustee.

2.10 Issuance of Additional Certificates.

(a) So long as the Lease Term shall remain in effect, and no Event of Nonappropriation under the Financing Lease, no Event of Default under the Financing Lease (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) and no Event of Default hereunder (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) shall have occurred, one or more issues of Additional Certificates may be executed and delivered upon the terms and conditions provided in this Section. The maturity dates for such Additional Certificates shall be the same date of the month as the maturity date of the 2023 Certificates and the Interest Payment Dates for such Additional Certificates shall be June 1 and December 1 of the years set forth in the Supplemental Indenture relating to such Additional Certificates. Additional Certificates may only be issued to evidence undivided interests in Base Rent pursuant to an amendment of the Financing Lease with respect to which Certificates have not been previously issued. Proceeds of Additional Certificates may only be used to provide funds to pay one or more of the following: (i) the costs of refunding all or any portion of the Outstanding Certificates; and (ii) the costs of making at any time or from time to time such additions, modifications, and improvements for or to the Leased Property as the State and the Corporation may deem necessary or desirable.

(b) Additional Certificates may be executed and delivered only in accordance with subsection (a) of this Section and only upon there being furnished to the Trustee:

(i) Originally executed counterparts of a Supplemental Indenture expressly providing that, for all the purposes hereof, the Leased Property shall include any property being financed by the Additional Certificates, and that the Certificates shall mean and include the Additional Certificates being executed and delivered as well as any Certificates and Additional Certificates theretofore executed and delivered, except that the series description of the Additional Certificates, the date or dates of the Additional Certificates, the maturity dates and Interest Payment Dates for the Additional Certificates, the rate or rates of interest with respect to the Additional Certificates, and provisions for the prepayment thereof, if any, all may be as provided in the Supplemental Indenture rather than as provided in this Indenture.

(ii) The addition to the Trust Estate of an assignment of the Lease Revenues from or with respect to the property financed with the proceeds of such Additional Certificates.

(iii) A written opinion of Special Counsel to the effect that the execution and delivery of the Additional Certificates have been duly authorized, that all conditions precedent to the delivery thereof have been fulfilled, that the execution and delivery of Additional Certificates will not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to any Certificates, and that the sale, execution and delivery of the Additional Certificates will not constitute an Event of Default under this Indenture or the Financing Lease nor cause any violation of the covenants or representations herein or in the Financing Lease.

(iv) Proceeds of such Additional Certificates or other legally available funds of the Corporation or the State for deposit into the appropriate account within the Reserve Fund, or other substitution for the cash deposit as described in Section 3.02(b) hereof, in an amount, if any, necessary to increase the amount on deposit in the appropriate account within the Reserve Fund to the applicable Reserve Fund Requirement.

(v) An amendment to Exhibit B to the Financing Lease evidencing that the Base Rent after such amendment is fully sufficient to timely pay all amounts due with respect to the Certificates that will be outstanding after the issuance of such Additional Certificates, executed by the parties to the Financing Lease.

(vi) Evidence that (A) the Additional Certificates will be rated by S&P, Moody's and Fitch or whichever of S&P, Moody's or Fitch then rates any Certificates, at least as high as the highest rated Certificates then Outstanding (or, if the Outstanding Certificates are insured, at least as high as the highest rating on the Certificates then Outstanding without regard to such insurance) and (B) the execution and delivery of the Additional Certificates will not result in a withdrawal or reduction of any rating on any other Outstanding Certificates.

(vii) A written order to the Trustee by the Corporation to deliver the Additional Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified sum plus accrued interest.

(c) No Additional Certificates shall be authorized if an Event of Default shall have occurred and be continuing with respect to the Outstanding Certificates.

(d) Each of the Additional Certificates executed and delivered pursuant to this Section shall be proportionately and ratably secured with the Certificates originally issued and all other issues of Additional Certificates, if any, executed and delivered pursuant to this Section, without preference, priority, or distinction of any Certificates or Additional Certificates over any other except as to any separate account in the reserve fund established for a particular series of Certificates which shall be exclusively for the benefit of that series of Certificates.

2.11 Negotiability. Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest with respect to the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs, or cross-claims between or among the

State, the Corporation, the Trustee, and the original or any intermediate owner of any Certificates.

ARTICLE III FUNDS AND ACCOUNTS

3.01 Debt Service Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Debt Service Fund" (the "Debt Service Fund") and, within such fund, the Interest Account and the Principal Account. The Trustee may establish such additional accounts within the Debt Service Fund or such subaccounts within any of the existing or any future accounts of the Debt Service Fund as may be necessary or desirable.

(b) There shall be deposited into the Interest Account (i) all accrued interest received at the time of the execution and delivery of the Certificates; (ii) the Interest Component of Base Rentals made by the State; (iii) any portion of the Reserve Fund to be deposited into the Interest Account, as provided in Section 3.02(d) hereof, provided that amounts transferred to the Debt Service Fund from a particular account of the Reserve Fund shall be applied only to the payment of the corresponding issue of 2023 Certificates or Additional Certificates; and (iv) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Interest Account.

(c) There shall be deposited into the Principal Account (i) the Principal Component of Base Rentals made by the State; (ii) any portion of the Reserve Fund to be deposited into the Principal Account, as provided in Section 3.02(d) hereof, provided that amounts transferred to the Debt Service Fund from a particular account of the Reserve Fund shall be applied only to the payment of the corresponding issue of Certificates; and (iii) all other moneys received by the Trustee under this Indenture accompanied by directions that such moneys are to be deposited into the Principal Account.

(d) Moneys in the Interest Account shall be used solely for the payment of interest with respect to the Certificates and moneys in the Principal Account shall be used solely for the payment of the principal with respect to the Certificates; provided that (i) in the event that there are any remaining moneys in the Interest Account upon payment of the interest due with respect to the Certificates, such moneys may be used for the payment of principal with respect to the Certificates; (ii) moneys representing accrued interest received at the time of the execution and delivery of any series of Certificates shall be used solely to pay the first interest due with respect to such Certificates; (iii) the Purchase Option Price and any other moneys transferred to the Debt Service Fund with specific instructions that such moneys be used to pay the prepayment price of Certificates shall be used solely to pay the prepayment price of Certificates; (iv) moneys transferred from any account of the Reserve Fund shall be used solely to pay the principal and interest due with respect to the Certificates, the proceeds of which were used to fund such account; and (v) moneys transferred from the Costs of Delivery Account shall be used to pay the principal and interest with respect to the Certificates; provided, further, that all moneys in the Debt Service Fund shall be available to pay the prepayment price of Certificates in connection

with a prepayment of all the Certificates and to pay the principal of and interest with respect to any Certificates following an Event of Default or Event of Nonappropriation.

3.02 Reserve Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Reserve Fund" (the "Reserve Fund"). The Trustee shall establish an account within the Reserve Fund for the 2023 Certificates and for each series of Additional Certificates if deposits are required to be made therein. For the 2023 Certificates, the Reserve Fund Requirement shall be \$0.

(b) There shall be deposited into the appropriate account of the Reserve Fund, (i) upon the execution and delivery of each series of Certificates, an amount sufficient to establish the Reserve Fund Requirement for such series of Certificates from proceeds of such series of Certificates or other available moneys of the State, NSHE or the Corporation; (ii) all amounts paid by the State pursuant to subsection (e) of this Section; and (iii) all other moneys delivered to the Trustee that are accompanied by instructions to deposit the same into the Reserve Fund. Nothing in this Indenture shall be construed as limiting the right of the State or the Corporation to augment the Reserve Fund or any account thereof with any other moneys which are legally available for payment of the principal of and interest with respect to the Certificates or, subject to Section 5.01 hereof, to substitute for the cash deposit required to be maintained hereunder a Qualified Surety Bond to insure that cash in the amount otherwise required to be maintained hereunder will be available as needed. If the Reserve Fund is funded in part with cash and in part with a Qualified Surety Bond the State shall at the time it deposits the Qualified Surety Bond provide directions to the Trustee as to the order in which such sources are to be applied if payments are required to be made from the Reserve Fund.

(c) Income derived from the investment of moneys in any account of the Reserve Fund (i) shall be retained in such account to the extent the amount therein is less than the Reserve Fund Requirement therefor; (ii) shall be used as provided in subsection (d) of this Section to the extent required thereunder; (iii) shall, to the extent required by Section 3.05(e), be deposited into the Rebate Fund; and (iv) to the extent not required to be used as provided in clause (i), (ii) or (iii), may, at the option and direction of the State be (A) transferred to the Debt Service Fund to pay the principal of or interest with respect to the corresponding issue of 2023 Certificates or Additional Certificates; (B) transferred to the Rebate Fund; (C) used to pay fees and expenses of the Trustee; (D) used to defease Certificates pursuant to Section 10.01 hereof; or (E) used for any combination of (A), (B), (C) or (D). Absent specific direction, such amounts shall be applied as provided in Clause (A) of the foregoing sentence.

(d) Moneys held in each account within the Reserve Fund shall be applied to any of the following purposes; provided, however, that each such purpose relates only to the issue of 2023 Certificates or Additional Certificates for which a deposit to the Reserve Fund was required pursuant to this Indenture or the Supplemental Indenture relating to such Certificates and to no other issue of Certificates:

(i) To the payment of the principal of and interest with respect to the Certificates when due, to the extent of any deficiency in the Debt Service Fund for such purpose;

(ii) At the option of the Trustee, upon the occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease or an Event of Default hereunder, to the payment of any cost or expense necessary to preserve or protect the Leased Property or the interest of the Trustee or the Owners therein, or necessary to make any repairs or modifications to the Leased Property in preparation for sale or other disposition thereof, as the Trustee may deem to be in the best interests of the Owners;

(iii) Except to the extent applied pursuant to clause (2) of this subsection, upon the expiration of the Lease Term by reason of the occurrence of an Event of Nonappropriation or upon the termination of the Lease Term by reason of the occurrence of an Event of Default thereunder, proportionately to the prepayment of the Certificates then Outstanding and the payment of interest with respect thereto;

(iv) In the event, the Certificates are defeased in full pursuant to Section 10.01 hereof, to the defeasance escrow if so directed by the State; or

(v) To the extent the amount therein exceeds the Reserve Fund Requirement, at the option and direction of the State, as provided in clauses (A), (B), (C), (D) or (E) of subsection (c)(iv) of this Section.

(e) If, for any reason, the amount on deposit in any account of the Reserve Fund is less than the Reserve Fund Requirement for the corresponding issue of 2023 Certificates or Additional Certificates, NSHE shall pay as Additional Rent or Base Rent, as the case may be, to the Trustee all amounts required to restore the amount on deposit in such account to the Reserve Fund Requirement as follows: (i) if the deficiency is as a result of an annual valuation of the Reserve Fund, the deficiency shall be restored in three equal monthly installments prior to the next succeeding valuation date and (ii) if the deficiency occurs for any other reason, the deficiency shall be restored in 9 equal monthly installments commencing 3 months following the determination that a deficiency exists. Payment of moneys by the State under this subsection (e), (as well as all other payments by the State) is subject to Section 2.04 hereof.

3.03 Costs of Delivery Account.

(a) Upon delivery of the 2023 Certificates or prior thereto, a special account will have been created and established with the Treasurer and designated as the "State of Nevada 2023 Certificates of Participation Costs of Delivery Account" (the "Costs of Delivery Account").

(b) Upon delivery of the 2023 Certificates and receipt of the moneys described in Section 2.06(b)(iii) hereof, the Initial Purchaser shall wire \$_____ of such moneys to the Treasurer for deposit into the Costs of Delivery Account for disbursement by the Treasurer to pay the Costs of Delivery.

(c) If an Event of Default shall have occurred hereunder or under the Financing Lease, the Trustee, as it deems appropriate and in the best interests of the Owners, shall request the Treasurer to disburse moneys in the Costs of Delivery Account to the Trustee to be applied as provided in Article VII hereof. At such time as the Treasurer may determine, the Treasurer may disburse moneys in the Costs of Delivery Account to the Trustee to be deposited in the Debt Service Fund (i) as a credit against the next principal installments of Base Rent

payments coming due, (ii) to defease principal or interest payments of Base Rent coming due in the future designated by the Treasurer or designee; (iii) to pay amounts required to be deposited in the Rebate Fund; or (iv) to any combination of such purposes, all as the Treasurer or designee directs.

3.04 Escrow Account.

A special account is created and established under the Escrow Agreement designated the "State of Nevada Lease Revenue Refunding Certificates of Participation, Series 2023 Escrow Account " (the "Escrow Account "). The balance of the proceeds of the sale of Certificates remaining after the deposit to the Reserve Fund pursuant to Section 3.02(b) hereof and to the Costs of Delivery Account pursuant to Section 3.03(b) shall be deposited into the Escrow Account and used, together with debt service reserve funds on deposit with the trustee for the 2013 Certificates and other available funds of the State, acting by and through NSHE, to pay the Refunded Certificate Requirements in accordance with the terms and provisions of the Escrow Agreement. Investment earnings on moneys in the Escrow Account shall remain in the Escrow Account and be applied as provided in the Escrow Agreement.

3.05 Rebate Fund.

(a) A special fund is hereby created and established with the Trustee to be designated the "State of Nevada Certificates of Participation Rebate Fund" (the "Rebate Fund").

(b) There shall be deposited into the Rebate Fund (i) any moneys transferred to the Rebate Fund from the Reserve Fund pursuant to Section 3.02(c) or (d) and Section 3.03(c)(iii) hereof; (ii) all amounts paid by the State or transferred from the Reserve Fund pursuant to subsection (e) of this Section; and (iii) all other moneys delivered to the Trustee by the State, the Corporation or any other Person that are accompanied by instructions to deposit the same into the Rebate Fund.

(c) Not later than 60 days after the date of delivery of the 2023 Certificates and every five years thereafter, the Trustee on behalf of and at the direction of the State shall pay to the United States of America 90% of the amount required, if any, to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the final retirement of the Certificates, the Trustee on behalf of and at the direction of the State shall pay to the United States of America 100% of the amount required, if any, to be on deposit in the Rebate Fund which shall remain in effect for such period of time as is necessary for such final payment to be made. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah. Each payment shall be accompanied by a copy of the Internal Revenue Form 8038 T and a statement summarizing the determination of the amount to be paid to the United States of America provided to the Trustee by the State. There is reserved in the State the right, in all events, to pursue such remedies and procedures as are available in order to assert any claim of overpayment of any rebated amounts.

(d) The State shall make or cause to be made all required rebate calculations annually on or before August 15 of each year with respect to the preceding Fiscal Year, and notify the Trustee of the resulting rebate amount so as to provide the information required to

transfer moneys to the Rebate Fund pursuant to subsection (b) of this Section. The Trustee shall make deposits to and disbursements from the Rebate Fund in accordance with the Investment Instructions (the "Investment Instructions") and the Tax Compliance Certificate (the "Tax Compliance Certificate") executed by the State in connection with the issuance of the 2023 Certificates and any Tax Compliance Certificates executed by the State in connection with the issuance of any Additional Certificates. The Trustee shall invest the Rebate Fund pursuant to said Investment Instructions and shall deposit income from said investments immediately upon receipt thereof in the Rebate Fund, all as set forth in the Investment Instructions. The Investment Instructions may be superseded or amended by new Investment Instructions drafted by and accompanied by an opinion of Special Counsel addressed to the Trustee to the effect that the use of said new Investment Instructions will not cause the interest with respect to the Certificates to be includable in the gross income of the recipients thereof for purposes of federal income taxation. The State may employ, at its expense, a designated agent to calculate the amount of deposits to and disbursements from the Rebate Fund based upon information furnished by the Corporation and the Trustee. If a withdrawal from the Rebate Fund is permitted as a result of the computation described in the Investment Instructions, the amount withdrawn shall be deposited in the Debt Service Fund. Record of the determinations required by this Section and the Investment Instructions must be retained by the Corporation and the Trustee until six years after the final retirement of the Certificates.

(e) The State agrees that while the Financing Lease is in effect, if, for any reason, the amount on deposit in the Rebate Fund as of June 30 of any year, is less than the amount that would be required to be paid to the United States of America if the Certificates were retired as of that date, either (i) the State will pay to the Trustee as Additional Rent by August 31 of that year the amount required to make such payment on such date, or (ii) amounts derived from earnings on amounts in the Reserve Fund sufficient to make such payment will be deposited into the Rebate Fund.

3.06 No presentment of Certificates. In the event any Certificate shall not be presented for payment when due, if funds sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to such Certificate. Funds so held but unclaimed by an Owner shall be delivered to the State after the expiration of five years or, upon receipt by the Trustee of an opinion of Special Counsel that such funds may be released to the State on such earlier date, on any earlier date designated by the State.

3.07 Moneys to be Held in Trust. The Debt Service Fund, the Reserve Fund, and any other fund or account created hereunder (except the Rebate Fund and the Escrow Account) shall be held by the Trustee, for the benefit of the Owners as specified in the Indenture, subject to the terms of this Indenture and the Financing Lease. Any escrow account established pursuant to Section 10.01 hereof shall be held for the benefit of the Owners of the Certificates to be paid therefrom as provided in the applicable escrow agreement.

3.08 Repayment to the State from the Trustee. After payment in full of the principal of and interest on the Certificates, all rebate payments due to the United States of

America, the fees and expenses of the Trustee and the Corporation, and all other amounts required to be paid hereunder, any remaining amounts held by the Trustee pursuant hereto shall be paid to the State.

ARTICLE IV PREPAYMENT OF CERTIFICATES

4.01 Prepayment of 2023 Certificates in Whole Upon an Event of Nonappropriation or Event of Default under the Financing Lease.

(a) In the event of the occurrence of an Event of Nonappropriation under the Financing Lease or the occurrence and continuation of an Event of Default under the Financing Lease, the 2023 Certificates shall be prepayable in whole, at a prepayment price determined pursuant to subsection (b) of this Section, on any date.

(b) The prepayment price for any prepayment pursuant to this Section shall be the lesser of (i) the principal amount of the 2023 Certificates, plus accrued interest to the prepayment date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee or the Corporation from the exercise of remedies under the Financing Lease with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such prepayment and (B) the other amounts available in the Trust Estate for payment of the prepayment price of the Certificates, which amounts shall be allocated among the 2023 Certificates in proportion to the principal amount of each 2023 Certificate. Notwithstanding any other provision hereof, the payment of the prepayment price of any 2023 Certificate pursuant to this Section shall be deemed to be the payment in full of such 2023 Certificate and no Owner of any 2023 Certificate prepaid pursuant to this Section shall have any right to any payment from the Corporation, the Trustee or the State in excess of such prepayment price.

(c) In addition to any other notice required to be given under this Article or any other provision hereof, the Trustee shall, immediately upon the occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease, notify the Owners (i) that such event has occurred and (ii) advise the Owners as to whether or not the funds then available to it for such purpose are sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section. If the funds then available to the Trustee are sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section, such prepayment price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the prepayment price set forth in clause (i) of subsection (b) of this Section, the Corporation and the Trustee shall (A) immediately pay the portion of the prepayment price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Financing Lease and (B) subject to the provisions of Article VII hereof, immediately begin to exercise and shall diligently pursue all remedies available to them under the Financing Lease in connection of such Event of Nonappropriation or Event of Default. The remainder of the prepayment price, if any, shall be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies. Partial payments shall be applied first to unpaid interest and second to principal.

4.02 Optional and Sinking Fund Prepayment of 2023 Certificates. The 2023 Certificates shall be subject to prepayment, in whole or in part from such maturities as are selected by a State Representative on behalf of the State or NSHE and by lot within a maturity, on any date on and after December 1, 2033, in the event of, and to the extent that sufficient moneys to make such prepayment (or defeasance securities which, without reinvestment, will generate sufficient moneys to make such prepayment) are actually received by the Trustee from the State for such purpose together with directions by the State to apply such moneys to such prepayment, at a prepayment price equal to the principal amount of the 2023 Certificates called for prepayment and accrued interest to the prepayment date.

(b) The 2023 Certificates maturing June 1, 20__ are subject to mandatory sinking fund prepayment at a price equal to the principal amount thereof plus accrued interest to the prepayment date as provided below. The 2023 Certificates of maturity subject to mandatory sinking fund prepayment which are to be prepaid shall be selected by lot in such manner as the Trustee shall determine.

The following principal amounts of the 2023 Certificates maturing June 1, 20__, shall be subject to mandatory sinking fund prepayment (after credit as provided below) on the following dates:

<u>Date</u>	<u>Principal Amount</u>
June 1, 20__	\$
June 1, 20__	

The remaining \$_____ of the Certificates maturing June 1, 20__, shall be paid upon presentation and surrender at maturity unless prepaid prior to maturity.

On or before the thirtieth (30) day prior to each such sinking fund payment date, the Trustee shall proceed to call the 2023 Certificates indicated above for prepayment from the sinking fund on the next June 1, and give notice of such call without other instruction or notice from the State or the Corporation. The amount of each sinking fund installment may be reduced by the principal amount of any 2023 Certificates of the maturity which is subject to sinking fund prepayment on such date and which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) or otherwise canceled and not therefore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the State.

4.03 Notice of Prepayment.

(a) Notice of the call for any prepayment, identifying the Certificates or portions thereof to be prepaid and the prepayment date and stating that on the prepayment date, the principal amount of the Certificates to be repaid and accrued interest and premium, if any, thereon will become due and payable at the principal office of the Trustee, or such other office as may be designated by the Trustee, and that after the prepayment date, no further interest will accrue on the principal of the Certificates called for prepayment, shall be given by the Trustee electronically or otherwise, at least 20 days and not more than 60 days prior to the date fixed for prepayment to the Owner of each Certificate to be prepaid at the address shown on the

registration books, to the Municipal Securities Rulemaking Board ("MSRB"); provided, however, that failure to give such notice to the MSRB or any Owner, or any defect therein, shall not affect the validity of any proceedings with respect to any Certificates to whose Owner a notice was given.

(b) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

(c) If at the time of giving the notice of prepayment, there shall not have been deposited with the Trustee moneys sufficient to prepay all the Certificates called for prepayment, which moneys are or will be available for prepayment of Certificates, such notice will state that it is conditional upon the deposit of the prepayment moneys with the Trustee not later than the opening of business on the prepayment date, and such notice shall be of no effect unless such moneys are so deposited.

4.04 Prepayment Payments.

(a) On or prior to the date fixed for prepayment, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Certificates called for prepayment, together with accrued interest thereon to the prepayment date. Upon the giving of notice and the deposit of such funds as may be available for prepayment pursuant to this Indenture, interest on the Certificates or portions thereof thus called for prepayment shall no longer accrue after the date fixed for prepayment.

(b) The Trustee shall pay to the Owners of Certificates so prepaid, the amounts due on their respective Certificates, at the Operations Center of the Trustee upon presentation and surrender of the Certificates.

4.05 Cancellation. All Certificates which have been prepaid shall not be reissued but shall be canceled by the Trustee in accordance with Section 2.09 hereof.

4.06 Delivery of New Certificates Upon Partial Prepayment of Certificates. Upon surrender and cancellation of a Certificate for prepayment in part, only, a new Certificate or Certificates of the same series and maturity and of authorized denomination in an aggregate principal amount equal to the unprepaid portion thereof, shall be executed on behalf of and delivered by the Trustee.

ARTICLE V INVESTMENTS

5.01 Investment of Moneys. All moneys held as part of any fund, account, or subaccount created hereunder shall, subject to Sections 5.02 and 6.02 hereof, be deposited or invested and reinvested by the Trustee, as provided in the Investment Instructions and other written directions provided by the State as an agent of the Corporation (so long as no Event of Default or Event of Nonappropriation has occurred) in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any moneys in any fund or account created hereunder which shall interfere with or prevent withdrawals for payment of Costs of the Project or for payment of the Certificates, or interest with respect thereto. (If an

Event of Default or an Event of Nonappropriation has occurred, the Trustee shall determine the investments to be made, which shall only be in Permitted Investments.) Any and all such deposits or investments shall be held by or under the control of the Trustee. The Trustee may make any and all such deposits or investments through its own trust department or the trust department of any bank or trust company under common control with the Trustee. Income from deposits or investments of moneys held in the Rebate Fund shall be deposited as provided in Section 3.05 hereof and income from deposits or investments of moneys held in any escrow account established pursuant to Section 10.01 hereof shall be deposited as provided in the escrow agreement governing such escrow account. Otherwise, except as otherwise provided by Section 3.02(c) and 3.05(e) hereof, deposits or investments shall at all times be a part of the fund, account, or subaccount from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against such fund, account or subaccount. In computing the amount in any fund or account created hereunder for any purpose hereunder, investments shall be valued at cost (exclusive of accrued interest) or par, whichever is less, except that investments in the Reserve Fund shall be valued at fair market value and marked to market on July 1 in each year.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the State that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the State, unless the State notifies the Trustee in writing to the contrary within thirty (30) days of the date of such statement. The Trustee shall without further direction from the State sell such qualified investments as and when required to make any payment for the purpose for which such investments are held.

5.02 Tax Certification. The State covenants to give investment instructions to the Trustee, while the Financing Lease is in effect, so moneys in any fund or account held by the Trustee under this Indenture, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not, if such instructions are followed, be deposited or invested in a manner which will cause the interest on the Certificates to be included in gross income for federal income tax purposes, and Trustee agrees to follow those instructions.

ARTICLE VI PARTICULAR COVENANTS

6.01 Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants, and warrants that:

(a) The Corporation (i) is a nonprofit corporation that is organized, validly existing and in good standing under the laws of the State, (ii) is duly qualified to do business in the State, and (iii) is authorized, under its articles of incorporation and bylaws, the action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to assign the Trust Estate to the Trustee and to execute, deliver and perform its obligations hereunder.

(b) The assignment of the Trust Estate to the Trustee pursuant to this Indenture is in the best interests of the Corporation.

(c) The execution, delivery, and performance of this Indenture by the Corporation has been duly authorized by the Corporation.

(d) This Indenture is enforceable against the Corporation in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State of Nevada and its governmental bodies of the police power inherent in the sovereignty of the State of Nevada and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(e) The execution, delivery, and performance of the terms of this Indenture by the Corporation does not and will not conflict with or result in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitute a default under any of the foregoing, in a manner which affects the validity or enforceability of the provisions of this Indenture, the Ground Lease or the Financing Lease.

(f) There is no litigation or proceeding pending or threatened against the Corporation or any other Person affecting the right of the Corporation to execute, deliver or perform its obligations under this Indenture.

(g) The Corporation shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of incorporation and bylaws, the action of its board of directors, and applicable law; provided, however, that this covenant shall not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Corporation hereunder, but only if and to the extent such assumption does not materially impair the rights of the Owners of any Outstanding Certificates or of the State.

(h) The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Indenture, the Financing Lease, any other instrument or other arrangement to which it is a party that benefits the Owners of any Outstanding Certificates and any other Requirement of Law.

6.02 Insurance or Condemnation Proceeds. In the event insurance or condemnation proceeds arise under the Financing Lease, State or NSHE must notify the Trustee within forty (40) days of receipt of such insurance or condemnation proceeds under the Financing Lease of its intention to use those proceeds to prepay the Certificates or rebuild the Project.

6.03 Tax Covenant. The Corporation shall not take any action or omit to take any action with respect to the Certificates, the proceeds of the Certificates, the Trust Estate, the Leased Property, or any other funds or property of the Corporation, and it will not permit any other Person to take any action or omit to take any action with respect to the Trust Estate or the Leased Property or the use thereof if such action or omission (i) would cause the interest on the

Certificates to be included in the gross income of the holders thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), (ii) would cause interest on the Certificates to be included in alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Certificates until the date on which all obligations in fulfilling the above covenant under the Tax Code have been met. The Corporation makes no covenant with respect to taxation of interest on the Certificates as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code). The covenants set forth in this Section shall not, however, apply to any series of Certificates if, at the time of execution and delivery, the State, NSHE, and the Corporation intend the interest with respect to such series of Certificates to be subject to federal income tax.

6.04 Sale or Encumbrance of Leased Property. As long as there are any Outstanding Certificates, and as except otherwise permitted by this Indenture and except as the Financing Lease otherwise specifically requires, the Corporation shall not sell or otherwise dispose of its interest in the Leased Property.

6.05 Rights of Trustee under Financing Lease and Ground Lease. The State and the Corporation hereby covenant to the Trustee for the benefit of the Owners that the State and the Corporation will observe and comply with their obligations under the Financing Lease and Ground Lease, and that all the representations made by the State and the Corporation in the Financing Lease and Ground Lease are true. Wherever in the Financing Lease or Ground Lease it is stated that the State will notify the Corporation, or wherever the Financing Lease or Ground Lease gives the Corporation or the Trustee some right or privilege, such part of the Financing Lease or Ground Lease shall be as if it were set forth in full in this Indenture. The Corporation agrees that the Trustee, as assignee of the Corporation under the Financing Lease and Ground Lease, may enforce, in its name or in the name of the Corporation, all rights of the Corporation and all obligations of the State and NSHE under the Financing Lease and Ground Lease, for and on behalf of the Owners, whether or not the Corporation is in default under this Indenture.

6.06 Defense of Trust Estate. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect its title to the Leased Property and the other property or property rights included the Trust Estate, the assignment of the Trust Estate to the Trustee under this Indenture and all the rights of the Owners under this Indenture against all claims and demands of all Persons whomsoever.

6.07 Inspection of the Leased Property. The Trustee and its duly authorized agents shall have the rights (but shall have no obligation), on reasonable notice to the Corporation, NSHE, and the State, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the Corporation, NSHE, and the State for security purposes). The Trustee and its duly authorized agents, and the State and NSHE, shall also be permitted (but shall have no obligation), at all reasonable times, to examine the books, records, reports, and other papers of the Corporation with respect to the Leased Property.

6.08 Termination of Ground Lease. The State and NSHE each agrees that in the event of a default of the Corporation under the Ground Lease, it may not terminate Trustee's interest under the Ground Lease as an assignee of the Corporation, but may only terminate Corporation's interest in the Ground Lease. The Trustee's rights and interests in the Ground Lease as an assignee of the Corporation shall remain in full force and effect notwithstanding any default by the Corporation or termination of the Corporation's interest in the Ground Lease.

ARTICLE VII DEFAULTS AND REMEDIES

7.01 Events of Default. Any of the following shall constitute an "Event of Default" under this Indenture:

(a) Default in the payment of the principal of any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption.

(b) Default in the payment of any installment of interest with respect to any Certificate when the same shall become due and payable.

(c) The occurrence of an Event of Nonappropriation or an Event of Default under the Financing Lease.

(d) Failure by the Corporation, NSHE, or the State to cure any noncompliance with any other provision of this Indenture within 30 days after receiving notice of such noncompliance from the Trustee.

7.02 Remedies on Default.

(a) Upon the occurrence of an Event of Default under the Financing Lease, the Trustee, as assignee of the rights of the Corporation under the Financing Lease may, and at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall, to the extent indemnified as provided herein, without any further demand or notice, take one or any combination of the remedial steps described in the Financing Lease. Trustee as assignee of the Corporation is entitled to possession of the Leased Property in such an Event of Default only for the period specified in the Ground Lease and after such period the Leased Property shall revert to NSHE.

(b) Upon the occurrence of an Event of Nonappropriation, the Trustee may exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under the Financing Lease. The Trustee may and at the request of the Owners of a majority of the aggregate principal amount of the Certificates then Outstanding shall, without any further demand, exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under the Financing Lease. The Trustee, as assignee of the Corporation, is entitled to possession of the Leased Property in such an Event of Nonappropriation only for the period specified in the Ground Lease, and after such period, the Leased Property shall revert to the State.

(c) The Trustee shall be entitled to the benefit of the owners of the Certificates then Outstanding, upon any Event of Default described in Section 7.01(c) hereof, to any moneys in any funds or accounts created hereunder (except the Rebate Fund and any escrow accounts established pursuant to Section 10.01 hereof). In addition, in the circumstances described in Section 4.01, the Trustee shall promptly designate a prepayment date and call the Certificates for prepayment in whole as provided in Section 4.01.

(d) Upon any Event of Default described in Section 7.01(a) or (b) hereof, the Trustee may take whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners, including but not limited to, its rights as assignee of the Corporation's rights under the Ground Lease and the Financing Lease. The trustee may sell, lease, or otherwise transfer any portion of the Trust Estate as it desires to be in the best interests of the Certificate holders and apply the proceeds thereof to making payments thereon when due or under Section 4.01 as the case may be.

(e) No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(f) Subject to Section 7.03 hereof, if any Event of Default under this Indenture shall have occurred and if requested by the Owners of a majority in aggregate principal amount of Certificates then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

(g) The Trustee, as assignee of the rights of the Ground Lease and the Financing Lease, shall control all remedies available to the Corporation under the Ground Lease and the Financing Lease. In addition, the Trustee may determine to abandon the Ground Lease, the Financing Lease, or both.

7.03 Majority of Owners May Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof.

7.04 Rights and Remedies of Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default under this Indenture has occurred of which the Trustee has been notified as provided in Section 8.02(h) hereof, or of which by Section 8.02(h) hereof it is deemed to have notice, and the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or

to institute such action, suit or proceedings in its own name; and such notification and request are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her, its or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Owner to enforce the payment of the principal of or interest with respect to any Certificate at and after the maturity thereof.

7.05 Purchase of the Leased Property by Owner or Trustee; Application of Certificates Toward Purchase Price. Upon the occurrence of an Event of Default hereunder, the rights of the Trustee to the Leased Property created and vested in the Trustee hereunder may, in addition to all other remedies, may be sold at public auction or by any other manner the Trustee deems reasonable. Upon any such sale, any Owner or the Trustee may bid for and purchase the Leased Property; and, upon compliance with the terms of sale, may hold, retain and possess and dispose of the property interest sold in his, her, its or their own absolute right without further accountability. If the Trustee shall acquire the leasehold interest in the Leased Property as a result of any such sale, or any other proceeding, the Trustee may thereafter sublease such interest in the Leased Property; and may take any further lawful action with respect to that interest in the Leased Property which it shall deem to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set forth in the Financing Lease and this Indenture and the taking of all other courses of action permitted herein or therein.

7.06 Waiver of Appraisalment, Valuation, Stay, Execution, and Redemption Laws. The Corporation agrees, to the extent permitted by law, that in case of the occurrence of an Event of Default hereunder, neither the Corporation nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Indenture, or the Financing Lease or the absolute sale of the Trust Estate to the extent permitted hereunder, or the final and absolute surrender of possession, immediately after such sale, to the purchasers; and the Corporation, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the estates comprised in the security intended to be hereby created marshaled upon exercise of the remedies provided herein and agrees that the Trustee may sell the Leased Property as an entirety.

7.07 Trustee May Enforce Rights Without Certificates. All rights of action and claims under this Indenture or any of the Certificates Outstanding hereunder may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any

Owners of the Certificates, and any recovery of judgment shall be for the ratable benefit of the Owners, subject to the provisions hereof.

7.08 Trustee to File Proofs of Claim in Receivership. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Leased Property, the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings for the entire amount due and payable with respect to the Certificates under this Indenture, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Owner to file a claim in its own behalf.

7.09 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default hereunder shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

7.10 No Waiver of One Event of Default to Affect Another. No waiver of any Event of Default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon.

7.11 Discontinuance of Proceedings on Event of Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the State, the Trustee, and the Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

7.12 Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and notwithstanding anything else to the contrary contained in this Indenture shall do so upon the written request of the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding; provided, however, that there shall not be waived without the consent of the Owners of 100% of the Certificates then Outstanding as to which the Event of Default exists (a) any Event of Default in the payment of the principal with respect to any Outstanding Certificates at the date of maturity specified therein or (b) any Event of Default in the payment when due of the interest with respect to any such Certificates, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal then due (including interest on all overdue installments at the highest rate due with respect to the Certificates), and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default hereunder shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the Trustee, the State, and the Owners shall be restored to their

former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default hereunder, or impair any right consequent thereon.

7.13 Application of Excess Monies. If an event of Default occurs hereunder and the Trustee exercises its remedies hereunder and as a result thereof all of the Certificate Owners are paid in full as to all principal, interest, and redemption premiums, and otherwise made whole for any damages they suffered as a result of such Event of Default, and all fees and expenses of the Trustee are paid in full and thereafter, there remain proceeds from the Trustee's exercise of the remedies granted hereunder, such excess proceeds shall be paid to the State.

7.14 Enforcement by State. The State is hereby granted the right to bring an action to enforce the provisions of this Indenture in the event the Trustee defaults in the performance of its duties hereunder.

ARTICLE VIII CONCERNING THE TRUSTEE

8.01 Representations, Covenants, and Warranties Regarding Execution, Delivery, and Performance of Indenture. The Trustee represents, covenants, and warrants that:

(a) The Trustee (i) is a national banking association that is duly organized, validly existing, and in good standing under the laws of the United States of America, and (ii) is authorized, under its articles of incorporation, the action of its board of directors and applicable law, to own and manage its properties, to conduct its affairs in the State, to accept the grant of the Trust Estate (defined herein) from the Corporation hereunder and to execute, deliver and perform its obligations under this Indenture.

(b) The execution, delivery, and performance of this Indenture by the Trustee has been duly authorized by the Trustee.

(c) This Indenture is enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State of Nevada and its governmental bodies of the police power inherent in the sovereignty of the State of Nevada and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(d) The execution, delivery, and performance of the terms of this Indenture by the Trustee does not and will not conflict with or result in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument known to the Trustee to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Indenture or the Financing Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon the Trust Estate or any of the property or assets of the Trustee.

(e) To its knowledge, there is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under this Indenture.

(f) The Trustee is advised that the Financing Lease will be terminated upon the occurrence of an Event of Nonappropriation thereunder and that a failure by the State to appropriate funds in a manner that results in an Event of Nonappropriation under the Financing Lease is solely within the discretion of the legislature of the State.

8.02 Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default hereunder and after the curing of all Events of Default which may have occurred under this Indenture, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a reasonable and prudent man would exercise or use under the circumstances in the conduct of the affairs of another.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon an Opinion of Counsel rendered in good faith, and to rely conclusively thereon concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein (except those in Section 8.01) or in the Certificates (except in respect of the execution of the Certificates on behalf of the Trustee), for collecting any insurance moneys or for the validity of the execution by the Corporation and the State of this Indenture, any Supplemental Indenture or any instruments of further assurance, or for the sufficiency of the security for the Certificates executed and delivered hereunder or intended to be secured hereby, or for the value of or title to the Leased Property. The Trustee shall have no obligation to perform any of the duties of the Corporation under the Financing Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds or early liquidation thereof, made by it pursuant to instructions from the State in accordance with Article V hereof.

(d) The Trustee shall not be accountable for the use of any Certificates delivered to the Initial Purchaser hereunder. The Trustee may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document reasonably and in good faith believed by it to be genuine and correct and to have been signed or sent by the proper

person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate shall be conclusive and binding upon any Certificates executed and delivered in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the State or the Corporation by the State Representative or the Corporation Representative, as the case may be, or such other person as may be designated for such purpose by the State or the Corporation, as the case may be, as sufficient evidence of the facts therein contained.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct (including a breach of fiduciary duty).

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the State to cause to be made any of the payments to the Trustee required to be made by Article III hereof unless the Trustee shall be specifically notified in writing of such Event of Default by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, shall have the right, but shall not be required, to inspect any and all of the Leased Property (subject to such regulations as may be imposed by the Corporation or the State for security purposes), including all books, papers, and records of the Corporation pertaining to the Leased Property.

(k) The Trustee shall not be required to give any Certificate or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.

(m) The Trustee shall not be required to advance or use any of its own funds or otherwise incur any financial liability in the performance of its obligations hereunder or in the exercise of its rights and powers unless it has received assurances and indemnity satisfactory to it against such risks and liabilities.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(o) The Trustee agrees to accept and act upon electronic mail or facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such electronic mail or facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

8.03 Compensation of Trustee. For its services during the Lease Term, the Trustee shall be entitled to \$_____ at the commencement thereof as compensation for its customary administrative services. Miscellaneous Services as defined in the fee schedule dated _____, 2023, and furnished to the Treasurer prior to the date hereof will be billed to the State as incurred. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. The rights of the Trustee to payments pursuant to this Article VIII shall be superior to the rights of the Owners with respect to the Trust Estate and the Trustee shall have a lien therefor on any and all funds, except the Rebate Fund and moneys held for payment of the principal of or interest on particular Certificates after the due dates thereof, at any time held under this Indenture, which lien shall be prior and superior to the lien of the Owners.

8.04 Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving written notice to the State, NSHE, and the Corporation not less than 30 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor qualified as provided in subsection (c) of this Section; provided, however, that if no successor is appointed within 30 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor. The present or any future Trustee may be removed at any time prior to the occurrence of an Event of Default hereunder, by the State or NSHE for any reason, or at any time by an instrument in writing, executed by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, for any breach of any of the Trustee's duties hereunder. Such removal shall take effect on the appointment of a successor trustee hereunder.

(b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Owners of a majority in aggregate principal amount of the Certificates Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed;

provided that the State or NSHE may, by an instrument executed, appoint a successor until a new successor shall be appointed by the Owners as herein authorized. The State or NSHE upon making such appointment shall forthwith give notice thereof to each Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the State shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Owners of a majority in aggregate principal amount of the Certificates Outstanding.

(c) Every successor shall be a bank or trust company in good standing, located in or incorporated under the laws of the United States or any State thereof duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder, having a capital and surplus of not less than \$10,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the State and the Corporation an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the State and the Corporation be required by any successor for more fully and certainly vesting in and confirming to it, the said instruments in writing shall, at the reasonable discretion of the State and the Corporation, be made, executed, acknowledged and delivered by the State and the Corporation on request of such successor.

8.05 Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding. In case any of the Certificates to be executed and delivered hereunder shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of such successor Trustee.

8.06 Intervention by Trustee. In any judicial proceeding to which the Corporation or the State is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may intervene on behalf of the Owners and shall do so if requested in writing by the Owners of at least 10% in aggregate principal amount of Certificates Outstanding.

ARTICLE IX SUPPLEMENTAL INDENTURES

9.01 Supplemental Indentures Not Requiring Consent of Owners. The Trustee and the Corporation may, without the consent of, or notice to, the Owners enter into a Supplemental Indenture for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the State or the Corporation contained in this Indenture other covenants and agreements to be thereafter observed by the State or the Corporation;

(b) to cure any ambiguity, or to cure, correct, or supplement any defect or omission or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owners;

(c) to subject to this Indenture additional revenues, properties or collateral (including release and substitution of property);

(d) to set forth the terms and conditions and other matters in connection with the execution and delivery of Additional Certificates, pursuant to Section 2.10 hereof, including Additional Certificates executed and delivered with a variable, adjustable, convertible, or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;

(e) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes interest with respect to the Certificates; or

(f) to effect any other changes in this Indenture which in the opinion of Special Counsel, do not materially adversely affect the rights of the Owners.

9.02 Supplemental Indentures Requiring Consent of Owners.

(a) The written consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding shall be required for the execution by the Corporation and the Trustee of any Supplemental Indenture other than as provided in Section 9.01; provided, however, that without the consent of the Owners of all the Certificates Outstanding adversely affected thereby nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of prepayment or maturity of the principal amount of or the interest with respect to any Outstanding Certificate, or a reduction in the principal amount of any prepayment of any Outstanding Certificate or the rate of interest with respect thereto, without the consent of the Owner of such Certificate;

(ii) the deprivation as to the Owner of any Certificate Outstanding of the lien created by this Indenture (other than as originally permitted hereby);

(iii) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted herein; or

(iv) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

(b) If at any time the Corporation shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, and consent of all or a portion of the Owners of the Certificates is needed under subsection (a) hereof, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be given electronically or otherwise to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the State and the Corporation following the giving of such notice, the Owners of the required Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee, the State or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

9.03 Execution of Supplemental Indenture. The Trustee is authorized to join with the Corporation in the execution of any Supplemental Indenture entered into in accordance with this Article and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any Supplemental Indenture which affects its rights, duties or immunities under this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such Supplemental Indenture shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates executed and delivered thereafter, if any, if deemed necessary or desirable by the Trustee.

9.04 Amendments of the Financing Lease Not Requiring Consent of Owners. In addition, the State and the Corporation may, with the written consent of the Trustee and, but without the consent of or notice to the Owners, amend, change or modify the Financing Lease or the Ground Lease, as may be required:

(a) by the provisions of the Financing Lease, the Ground Lease, or this Indenture;

(b) for the purpose of curing any ambiguity or formal defect or omission in the Financing Lease;

(c) in order more precisely to identify the Leased Property or to add additional or substituted improvements or properties acquired in accordance with the Financing Lease;

(d) in order to provide for the acquisition, construction, or installation of additional property under the Financing Lease or the Ground Lease;

(e) in connection with the execution and delivery of Additional Certificates, including Additional Certificates executed and delivered with a variable, adjustable, convertible, or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;

(f) in connection with any Supplemental Indenture permitted by this Article;

(g) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;

(h) to effect any change that (i) does not reduce the revenues available to the Trustee from the Financing Lease below the amount required to make all the payments and transfers required by Article III hereof, (ii) does not materially reduce the value of the Leased Property and (iii) does not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;

(i) to effect any change to any Project permitted by, and in accordance with the terms of, the Financing Lease, any similar lease or agreement relating to any other Project; or

(j) to effect any other changes in the Financing Lease which, in the opinion of Special Counsel or the Trustee, do not materially adversely affect the rights of the Owners.

9.05 Amendments of the Financing Lease or the Ground Lease Requiring Consent of Owners. Except for the amendments, changes, or modifications permitted by Section 9.04 hereof, none of the State, the Corporation, or the Trustee shall consent to any other amendment, change, or modification of the Financing Lease or the Ground Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in Section 9.02 hereof. If at any time the Corporation shall request the consent of the Trustee to any such proposed amendment, change, or modification of the Financing Lease, the Trustee shall, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 9.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

9.06 Notices to Rating Agencies. Notice of any Supplemental Indenture or amendment to the Ground Lease or Financing Lease shall be given to any rating agency rating the Certificates at least 15 days before the effective date thereof. In addition, all notices, certificates, or other communications given to the Owners hereunder shall also be given to any rating agency rating the Certificates.

ARTICLE X MISCELLANEOUS

10.01 Discharge of Indenture.

(a) If, when the Certificates secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal of and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder, then the right, title, and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the State and the Corporation to the Trustee and the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall transfer and convey to (or upon the order of) the State all property assigned, pledged, or mortgaged to the Trustee by the State and the Corporation then held by the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be reasonably required by the State and shall turn over to (or upon the order of) the State and the Corporation any surplus in any fund, account or subaccount (except the Rebate Fund) created under this Indenture, except any escrow accounts theretofore established pursuant to this Section.

(b) All or any portion of the Outstanding Certificates shall prior to the maturity or prepayment date thereof be deemed to have been paid ("defeased") within the meaning and with the effect expressed in this Section if (i) in case said Certificates are to be prepaid on any date prior to their maturity, the State shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to give notice of prepayment of such Certificates on said prepayment date, such notice to be given on a date and otherwise in accordance with the provisions of Section 4.03 hereof, (ii) there shall have been deposited in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which shall not contain provisions permitting the prepayment thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, shall be sufficient to pay when due the principal of and interest due and to become due with respect to said Certificates on and prior to the prepayment date or maturity date thereof, as the case may be and (iii) a certified public accountant shall have delivered a verification report to the Trustee verifying the deposit described in clause (ii) above to the Trustee. If an agreement to deliver Defeasance Securities in the future (a "Forward Supply Contract") is used in connection with any defeasance under this Indenture, (x) the verification report must expressly state that adequacy of the deposit initially made with the Trustee to accomplish the defeasance relies solely on the initial investments and cash deposited and the maturing principal thereof and interest thereon and does not assume performance under the Forward Supply Contract and (y) in the event of a discrepancy between this Indenture (and any escrow agreement executed in connection with such defeasance) and the Forward Supply Contract, the provisions of this Indenture (and any such Escrow agreement) shall be controlling. Neither the Defeasance Securities nor moneys deposited in trust pursuant to this Section or principal or interest payments with respect to any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest with respect to said Certificates; provided any cash received from such principal or interest payments on such

Defeasance Securities deposited in trust, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (ii) of this subsection maturing at the times and in amounts sufficient to pay when due the principal of and interest to become due with respect to said Certificates on or prior to such prepayment date or maturity date thereof, as the case may be. At such time as any Certificates shall be deemed paid as aforesaid, such Certificates shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

(c) Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Certificates pursuant to this Section becoming effective, there shall have been delivered to the State, the Corporation, the Trustee, and NSHE an opinion of Special Counsel, addressed to the State, the Corporation, the Trustee and NSHE, to the effect that the applicable Certificates have been defeased and are no longer deemed to be outstanding hereunder.

(d) In the event that there is a defeasance of only part of the Certificates of any maturity, the Trustee shall, if requested by the State, institute a system to preserve the identity of the individual Certificates or portions thereof so defeased, regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

10.02 Further Assurances and Corrective Instruments. The State, NSHE, the Corporation, and the Trustee agree that so long as this Indenture is in full force and effect, the State, NSHE, the Corporation, and the Trustee shall have full power to carry out the acts and agreements provided herein and they will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of this Indenture.

10.03 Financial Obligations of the State, NSHE and the Corporation Limited to Trust Estate. Notwithstanding any other provision hereof, all financial obligations of the State, NSHE, and the Corporation under this Indenture are limited to the Trust Estate.

10.04 Evidence of Signature of Owners and Ownership of Certificates.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor and shall be signed or executed by such Owners in person or by their attorneys appointed in writing, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such

request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(ii) The fact of the ownership by any person of Certificates and the amounts and numbers of such Certificates, and the date of the ownership of the same, may be proved by the registration records of the Trustee.

(b) Any request or consent of the Owner of any Certificate shall bind all transferees of such Certificate in respect of anything done or suffered to be done by the State, the Corporation, or the Trustee in accordance therewith.

10.05 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Corporation, the State, NSHE, the Trustee, and the Owners of the Certificates, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Corporation or the Trustee shall be for the sole and exclusive benefit of the Corporation, the State, NSHE, the Trustee and the Owners and their respective successors and assigns.

10.06 State, NSHE Corporation and Trustee Representatives. Whenever under the provisions hereof the approval of the State, NSHE, the Corporation or the Trustee is required, or the State, NSHE, the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the State or NSHE by the State Representative, Corporation by the Corporation Representative and for the Trustee by the Trustee Representative, and the Corporation, the Trustee, NSHE and the State shall be authorized to act on any such approval or request.

10.07 Titles, Headings. The titles and headings of the articles, sections, and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.08 Manner of Giving Notices. All notices, certificates, or other communications hereunder shall be in writing and shall be deemed sufficiently given when delivered electronically, or mailed by certified or registered mail, postage prepaid, addressed as follows: if to the State, NSHE, or the Corporation, to the persons and addresses listed in Section 16.2 of the Financing Lease; if to the Trustee, to U.S. Bank Trust Company, National Association, Global Corporate Trust, 2222 E. Camelback Road, Suite 110, Phoenix, AZ 85016 LM-AZ-2597. The entities listed above may, by written notice, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

10.09 No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the State, NSHE, the Corporation, or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the State, NSHE, the Corporation or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the State, NSHE, the Corporation or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such

covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the State, NSHE, the Corporation or the Trustee or any natural person executing this Indenture or any related document or instrument.

10.10 Nature of State Obligations; Need for Appropriations. All of the State's obligations under this Indenture are subject to the State lawfully making an appropriation to pay the amount needed to fulfill the obligation and are binding upon the State only to the extent such an appropriation is made. Nothing herein obligates the State to make any such appropriation.

10.11 Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for the performance of any act or the exercising of any right under this Indenture is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture.

10.12 Severability. In the event that any provision of this Indenture, other than the obligation of the State and the Corporation to deliver the Trust Estate to the Trustee, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.13 Captions. The captions or headings herein are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Indenture.

10.14 Applicable Law. The laws of the State shall be applied in the interpretation, execution, and enforcement of this Indenture. The parties and the State consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Indenture and to exclusive venue in the Nevada state district court in Carson City. The parties and the State waive any immunity from suit based on this Indenture they otherwise may have in any lawsuit brought in Nevada district court in Carson City.

10.15 Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Corporation and the Trustee have executed this Indenture as of the date first above written.

NEVADA REAL PROPERTY CORPORATION

By: _____
Zachary B. Conine, President

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Keith Henselen, Trust Officer

STATE OF NEVADA)
) ss.
CARSON CITY)

 This instrument was acknowledged before me on _____ by Zachary
B. Conine as the President of the Nevada Real Property Corporation.

 WITNESS my hand and official seal.

(SEAL)

Notary Public

State of _____)
) ss.
_____)

This instrument was acknowledged before me on _____ by Keith
Henselen, Trust Officer of U.S. Bank Trust Company, National Association.

WITNESS my hand and official seal.

[SEAL]

Signature of Notary Public

APPENDIX A

FORM OF 2023 CERTIFICATE

**LEASE REVENUE REFUNDING CERTIFICATE OF PARTICIPATION
(Nevada State University Project) Series 2023
Evidencing Assignment of a
Proportionate Undivided Interest in the
Right to Receive Certain Revenues Payable by the**

STATE OF NEVADA

**Under a Lease Purchase Agreement dated as of November 1, 2023, with
NEVADA REAL PROPERTY CORPORATION**

No. _____ \$ _____

<u>Interest Rate:</u>	<u>Maturity Date:</u>	<u>Original Issue Date:</u>	<u>CUSIP</u>
_____%	_____	_____, 2023	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

THIS CERTIFIES THAT THE REGISTERED OWNER (named above), or registered assigns, has a proportionate undivided interest in rights to receive Base Rent, as described below, pursuant to a Lease Purchase Agreement dated as of November 1, 2023 (which Agreement as from time to time amended is referred to herein as the "Financing Lease"), between the NEVADA REAL PROPERTY CORPORATION, a Nevada nonprofit corporation, as lessor (the "Corporation") and State of Nevada, acting by and through the Nevada System of Higher Education ("NSHE"), as lessee (the "State") thereunder. The interest of the Registered Owner of this Lease Revenue Refunding Certificate Of Participation (Nevada State University Project) Series 2023 (this "Certificate") is secured as provided in the Financing Lease and in the Indenture of Trust dated as of November 1, 2023 (which Indenture as from time to time amended is herein referred to as the "Indenture"), between the Corporation and U.S. Bank Trust Company, National Association, as Trustee, or its successor (the "Trustee") for the Registered Owners of the Certificates (the "Certificate Owners"), whereby the rights (with certain exceptions) of the Corporation under the Financing Lease have been assigned by the Corporation to the Trustee for the benefit of the Certificate Owners. Pursuant to the Financing Lease and the Indenture, the Registered Owner hereof is entitled to receive, solely out of and to the extent available from the sources hereinafter identified, on the Maturity Date (stated above) (or earlier as hereinafter provided), the Principal Sum (stated above), and interest thereon as described in the Indenture at the Interest Rate (stated above) and payable semiannually on June 1 and December 1 of each year, commencing June 1, 2024. The principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender of this Certificate at the principal corporate trust office of the Trustee; and interest with respect to this Certificate is payable to the

Registered Owner hereof by check or draft of the Trustee to be mailed, or by wire transfer or other electronic means, to such Registered Owner on or before each interest payment date (or, if such interest payment date is not a Business Day, as defined in the Indenture, on or before the next succeeding Business Day), at the address of such Registered Owner as it last appears in the registration books kept by the Trustee; provided, however, the Trustee may make payments of interest with respect to this Certificate by such alternate means as may be mutually agreed upon by the Registered Owner hereof and the Trustee, with any cost or expense to be paid by the Registered Owner.

The Certificates are subject to optional prepayment and mandatory sinking fund prepayment at the time and in the manner provided in the Indenture, on not less than 20 days' notice in the manner provided by the Indenture.

The Certificates are also subject to prepayment in whole at the prices provided in the Indenture (which may be less than par) in certain events following an Event of Nonappropriation or Event of Default under the Financing Lease.

This Certificate is one of a series of Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023 evidencing assignments of proportionate undivided interests in rights to receive certain revenues, as described below, pursuant to the Financing Lease and the Indenture, executed and delivered in an aggregate principal amount of \$_____, pursuant to the Indenture for the purpose of refinancing certain outstanding obligations issued to finance the construction and improvement of certain buildings and facilities for Nevada State University, formerly Nevada State College. Under the Financing Lease the State has agreed, subject to appropriation as provided therein, to pay directly to the Trustee rental payments (the "Base Rentals") in consideration for its right to use the Leased Property, the proceeds of which are required by the Indenture to be distributed by the Trustee to the payment of the principal of and interest with respect to the Certificates. In addition to the Base Rentals, the State has agreed, subject to appropriation as provided in the Financing Lease, to make certain other payments (the "Additional Rentals") sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the State under the Financing Lease.

The obligation of the State to pay Base Rentals and Additional Rentals under the Financing Lease will terminate in the event that the State, for any reason, fails to budget and appropriate, specifically with respect to the Financing Lease, moneys to pay all Base Rentals and reasonably estimated Additional Rentals during the next occurring fiscal year term of the State. In the event that the Lease Term (as defined in the Financing Lease) is terminated by the State as set forth above (herein referred to as an "Event of Nonappropriation") or is terminated by reason of an Event of Default (as defined in the Financing Lease), the principal amount of this Certificate and interest with respect thereto will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from the leasing of or a liquidation of the interest of the Corporation in the Leased Property.

Under certain circumstances, this Certificate and the interest with respect thereto may also be payable from the Net Proceeds (as defined in the Financing Lease) of title or casualty insurance policies or condemnation awards.

Reference is hereby made to the Financing Lease and the Indenture for a description of the rights, duties, and obligations of the State, NSHE, the Corporation, the Trustee, and the Certificate Owners, the terms upon which the Certificates are secured, the terms and conditions upon which the Certificates will be deemed to be paid at or prior to maturity or redemption of the Certificates upon the making of provision for the full or partial payment thereof, and the rights of the Certificate Owners upon the occurrence of an Event of Default or an Event of Nonappropriation.

NONE OF THE FINANCING LEASE, THE INDENTURE, OR THE CERTIFICATES CONSTITUTES A GENERAL OBLIGATION OR A DIRECT OR INDIRECT DEBT, OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NONE OF THE FINANCING LEASE, THE INDENTURE, OR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE STATE TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR ANY FISCAL YEAR IN WHICH THE FINANCING LEASE SHALL BE IN EFFECT. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE CERTIFICATES AND INCOME FROM THE INVESTMENT THEREOF, FROM NET PROCEEDS OF CERTAIN INSURANCE POLICIES AND CONDEMNATION AWARDS, FROM NET PROCEEDS OF THE LEASING OF OR A LIQUIDATION OF THE LEASED PROPERTY, OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, THE CERTIFICATES WILL BE PAYABLE DURING THE LEASE TERM SOLELY FROM BASE RENTALS TO BE PAID BY THE STATE UNDER THE FINANCING LEASE. ALL PAYMENT OBLIGATIONS OF THE STATE UNDER THE FINANCING LEASE, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE STATE TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE STATE IN ANY FISCAL YEAR BEYOND A FISCAL YEAR IN WHICH THE FINANCING LEASE SHALL BE IN EFFECT.

THE FINANCING LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT. IN SUCH EVENT, ALL PAYMENTS FROM THE STATE UNDER THE FINANCING LEASE WILL TERMINATE, AND THE CERTIFICATES AND THE INTEREST WITH RESPECT THERETO WILL BE PAYABLE FROM CERTAIN MONEYS, IF ANY, HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ANY MONEYS MADE AVAILABLE BY ACTION OF THE TRUSTEE REGARDING THE LEASED PROPERTY. THE CORPORATION HAS NO OBLIGATION TO MAKE ANY PAYMENTS ON THE CERTIFICATES. NEITHER THE CERTIFICATES, THE FINANCING LEASE NOR THE INDENTURE SHALL GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION.

The Certificates are executed and delivered solely as fully registered Certificates. The Certificates are not transferable except as provided in the Indenture.

The Trustee may waive an Event of Nonappropriation or an Event of Default under certain circumstances as provided in the Financing Lease and the Indenture.

The Indenture permits amendments thereto and to the Financing Lease, upon the agreement of the State and the Trustee and compliance with the other requirements of the Indenture.

Any consent or request by the Registered Owner of this Certificate shall be conclusive and binding upon such owner and upon all future registered owners of this Certificate and of any Certificate executed and delivered upon the transfer of this Certificate whether or not notation of such consent or request is made upon this Certificate.

This Certificate is executed and delivered with the intent that the laws of the State of Nevada shall govern its legality, validity, enforceability, and construction.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Financing Lease until executed on behalf of the Trustee.

IN WITNESS WHEREOF, this Certificate has been executed with the manual signature of an authorized signatory of the Trustee, all as of the date set forth below.

U.S. Bank Trust Company,
National Association, as Trustee

By: _____
Authorized Signatory

Execution Date: November 1, 2023

ASSIGNMENT

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

(Please print or type the name and address of the Transferee)

(Tax Identification or Social Security Number)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with the full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution.

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Certificate in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

[End of Form of Certificate]

APPENDIX B

LEGAL DESCRIPTION AND TITLE EXCEPTIONS

A PORTION OF ASSESSOR'S PARCEL NO. 189-03-110-002

LEGAL DESCRIPTION FOR NEVADA STATE COLLEGE

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTH HALF (N ½) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 3, TOWNSHIP 23 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND ALUMINUM CAP MARKED P.L.S. 8866 SET AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER (NW ¼) OF THE NORTHEAST QUARTER (NE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SAID SECTION 3; THENCE ALONG THE NORTH LINE OF SAID SECTION 3, SOUTH 89°23'54" WEST, 348.74 FEET; THENCE LEAVING SAID NORTH LINE, SOUTH 00°36'06" EAST, 50.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PARADISE HILLS DRIVE AS DEDICATED TO THE PUBLIC PER DOCUMENT NO. 20070216, AS INSTRUMENT NO. 02396 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, SAID POINT BEING THE **POINT OF BEGINNING**; SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, HAVING A RADIUS OF 15.00 FEET, A RADIAL BEARING TO SAID POINT BEARS NORTH 00°36'06" WEST; THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE AND ALONG SAID SURVEY TO THE LEFT, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 83°14'43", AN ARC LENGTH OF 21.79 FEET; THENCE SOUTH 06°09'11" WEST, 101.43 FEET; THENCE SOUTH 00°36'13" EAST, 498.77 FEET; THENCE SOUTH 89°23'45" WEST, 938.92 FEET; THENCE NORTH 00°36'13" WEST, 262.62 FEET; THENCE NORTH 89°23'47" EAST, 137.50 FEET; THENCE NORTH 00°36'13" WEST, 349.96 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF PARADISE HILLS DRIVE; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, NORTH 89°22'39" EAST, 516.44 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, NORTH 89°23'54" EAST, 311.82 FEET TO THE **POINT OF BEGINNING**.

CONTAINS 12.12 ACRES MORE OR LESS.

BASIS OF BEARINGS

THE NORTH LINE OF THE NORTHWEST QUARTER (NW ¼) OF THE NORTHEAST QUARTER (NE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 3, TOWNSHIP 23 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, AS SHOWN BY THAT MAP IN BOOK 62 OF PLATS, PAGE 87, ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.

SAID LINE BEARS: SOUTH 89°23'54" WEST.

GLEN J. DAVIS
NEVADA P.L.S. NO. 11825
6345 SOUTH JONES BOULEVARD, SUITE 200
LAS VEGAS, NEVADA 89118
MY COMMISSION EXPIRES: DECEMBER 31, 2014

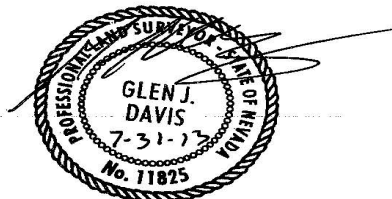
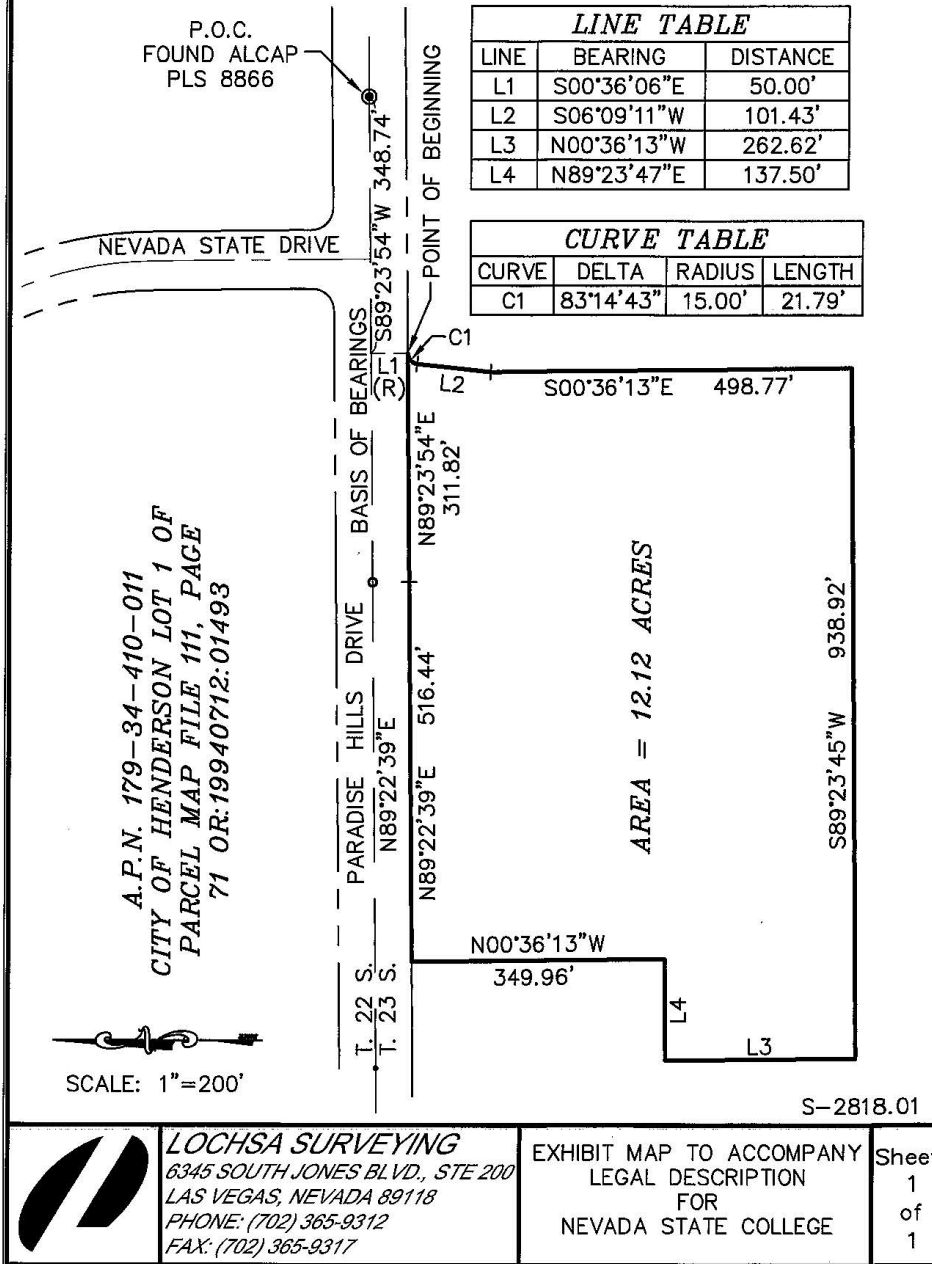


EXHIBIT MAP TO ACCOMPANY LEGAL DESCRIPTION



Title Exceptions:

Fee Title is vested in: Board of Regents of the Nevada System of Higher Education on behalf of the Nevada State College

-No open deeds of trust

Taxes due:

-Las Vegas Artesian Basin Charge: \$64.43 (currently due)

-For 2012-2013, Las Vegas Artesian Basin Charge, Lien of \$18.20 plus costs and penalties (due and payable)

Exceptions

8. U.S. Patent granting land to Henderson, pursuant to Public Law 107-282 (the Clark County Conservation of Public Land and Natural Resources Act)

Subject to

a. Railroad

b. Right-of-way: Hispanic Broadcasting Corp.

c. Right-of-way: AT&T re: fiber optic line

d. Right-of-way: Central Telephone Co. re: fiber optic cables

e. Right-of-way: Electric Lightwave, Inc. re: fiber optic lines

f. Right-of-way: Bureau of Reclamation re: power lines

Note: The land must be used for the “college” or at the discretion of the Secretary of Interior, Interior, acting through the Director of the Bureau of Land Management, revert back to the US

Recorded: August 12, 2003

9. Right-of-way granted to Henderson re: a 200-foot wide diversion dike (C-1 Channel), pursuant to Federal Land Policy Management Act (FLPMA)

Recorded: March 18, 1993

10. Right-of-way granted to Henderson re: Foothills Dr., pursuant to FLPMA

Recorded: September 13, 1994

11. Duct Purchase Agreement between ATT&T and Citizen Communication Services, Inc. re. route between Laughlin and Henderson

Recorded: September 16, 1994

12. Right-of-way granted to Henderson re: flood control drainage ditch (100 foot wide), pursuant to FLPMA

Recorded: September 19, 1995

13. Right of entry granted to Nevada Power Company re: maintenance of electrical facilities, and upon completion, NV Power's standard easement

Recorded: November 21, 2006

14. Access to equipment agreement between Nevada Power Company and Nevada State College re: installation of the electric system

Recorded: December 5, 2006

15. Easements seen visually in Recorded Map:

1. Railroad (Exception #8);

2. 200' wide C1 drainage channel (Exception #9);

3. Portion of Paradise Hills Dr. and a SIDEWALK (public pedestrian access easement)

NEARBY

i. Along southeast perimeter- 200' wide intermountain power agency right-of-way (BLM Permit # N-17394);

ii. Multiple roads bordering (i.e. Nevada State Dr., Paradise Hills Dr., High Tech Cir.)

15a. Correction to Recorded Map regarding proper street name: "Nevada State Drive"

Recorded: August 7, 2007

15b. Distance correction for table in Recorded Map

Recorded: March 21, 2007

16. Record of Survey

a. Carves out rectangular plot on northern border, 4.997 acres below Paradise Hills Dr. (NSHE)

Recorded: August 30, 2007

17. Deed from Henderson conveying land to Board of Regents of the Nevada System of Higher Education on behalf of the Nevada State College

Subject to

- 1. Valid existing rights**
- 2. Must abide by conditions and limitations set forth in Section 704 of Public Law 107-282 (see below)**

Recorded: August 30, 2007

PUBLIC LAW 107-282 (a.k.a the Clark County Conservation of Public Land and Natural Resources Act)

SEC. 704. CONVEYANCE TO THE CITY OF HENDERSON FOR THE NEVADA STATE COLLEGE AT HENDERSON. (NOV. 6, 2002)

(a) DEFINITIONS.—In this section:

(1) CHANCELLOR.—The term “Chancellor” means the Chancellor of the University system.

(2) CITY.—The term “City” means the city of Henderson, Nevada.

(3) COLLEGE.—The term “College” means the Nevada State College at Henderson.

(4) SURVEY.—The term “survey” means the land survey required under Federal law to define the official metes and bounds of the parcel of Federal land identified as “Tract H” on the map.

(5) UNIVERSITY SYSTEM.—The term “University system” means the University and Community College System of Nevada.

(b) CONVEYANCE.—

(1) IN GENERAL.—Notwithstanding the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and section 1(c) of the Act of June 14, 1926 (commonly known as the “Recreation and Public Purposes Act”) (43 U.S.C. 869(c)), not later than 180 days after the date on which the survey is approved, the Secretary shall convey to the City, without consideration, all right, title, and interest of the United States in and to the parcel of Federal land identified as “Tract H” on the map for use as a campus for the College.

(2) CONDITIONS.—

(A) IN GENERAL.—As a condition of the conveyance under paragraph (1), the Chancellor and the City shall agree in writing— (i) to pay any administrative costs associated with the conveyance, including the costs of any environmental, wildlife, cultural, or historical resources studies; (ii) to use the Federal land conveyed for educational and recreational

purposes; (iii) to release and indemnify the United States from any claims or liabilities which may arise from uses that are carried out on the Federal land on or before the date of enactment of this Act by the United States or any person; (iv) as soon as practicable after the date of the conveyance under paragraph (1), to erect at the College an appropriate and centrally located monument that acknowledges the conveyance of the Federal land by the United States for the purpose of furthering the higher education of citizens in the State; and (v) to assist the Bureau of Land Management in providing information to the students of the College and the citizens of the State on—

(I) public land in the State; and

(II) the role of the Bureau of Land Management in managing, preserving, and protecting the public land.

(B) VALID EXISTING RIGHTS.—The conveyance under paragraph (1) shall be subject to all valid existing rights.

(3) USE OF FEDERAL LAND.—

(A) IN GENERAL.—The College and the City may use the land conveyed under paragraph (1) for— (i) any purpose relating to the establishment, operation, growth, and maintenance of the College; and (ii) any uses relating to such purposes, including residential and commercial development that would generally be associated with an institution of higher education.

(B) OTHER ENTITIES.—The College and the City may— (i) consistent with Federal and State law, lease or otherwise provide property or space at the College, with or without consideration, to religious, public interest, community, or other groups for services and events that are of interest to the College, the City, or any community located in the Las Vegas Valley; (ii) allow the City or any other community in the Las Vegas Valley to use facilities of the College for educational and recreational programs of the City or community; and (iii) in conjunction with the City, plan, finance, (including the provision of cost-share assistance), construct, and operate facilities for the City on the Federal land conveyed for educational or recreational purposes consistent with this section.

(4) REVERSION.—If the Federal land or any portion of the Federal land conveyed under paragraph (1) ceases to be used for the College, the Federal land or any portion of the Federal land shall, at the discretion of the Secretary, revert to the United States.

An Indenture of Trust upon the covenant, conditions and provisions contained therein,

Dated:	November 1, 2013 NEVADA REAL PROPERTY CORPORATION, A NONPROFIT CORPORATION U.S. BANK NATIONAL ASSOCIATION, A NATIONAL BANKING ASSOCIATION, as trustee
Recorded:	November 26, 2013

: as Document No. _____,
: Official Records of Clark County, Nevada.

A Ground Lease affecting the premises described herein, executed by and between the parties named herein, for the term and upon the terms, covenants, and conditions therein provided,

Dated: November 1, 2013
Lessor: NEVADA SYSTEM OF HIGHER EDUCATION
Lessee: NEVADA REAL PROPERTY CORPORATION
Term: AS THEREIN PROVIDED
Recorded: November 26, 2013
: as Document No. _____
: Official Records of Clark County, Nevada.

A Lease-Purchase Agreement affecting the premises described herein, executed by and between the parties named herein, for the term and upon the terms, covenants, and conditions therein provided,

Dated: November 1, 2013
Lessor: NEVADA REAL PROPERTY CORPORATION
Lessee: STATE OF NEVADA ACTING BY AND THROUGH THE
NEVADA SYSTEM OF HIGHER EDUCATION
Term: AS THEREIN PROVIDED
Recorded: November 26, 2013
: as Document No. _____
: Official Records of Clark County, Nevada

APPENDIX C

PERMITTED INVESTMENTS

1. Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. THESE MAY CONSTITUTE DEFEASANCE OBLIGATIONS.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC).
 - Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
 - Senior Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives)
 - Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks)
 - Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
 - Senior debt obligations
 - Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)

- Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)
- Debt obligations
- Resolution Funding Corporation (REFCORP)
 - Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

7. Money market funds rated 'AAm' or 'AAm-G' by S&P, or better.

8. "State Obligations", which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated 'A-1+' by S&P and 'MIG-1' by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency, or subdivision described in (A) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest, and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's, provided that:

(a) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(b) The Trustee or a third party acting solely as agent therefor or for the Issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral, and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) All other requirements of S&P in respect of repurchase agreements shall be met.

(e) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by

S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Issuer or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or if the investment agreement is for the construction fund, construction draws) on the Certificates;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Issuer and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer) that such investment agreement is legal, valid, binding, and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);

(e) the investment agreement shall provide that if during its term

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee, and

(f) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(g) The investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate.

ATTACHMENT C3

Lease Purchase Agreement NSU

APN: 189-03-110-002

When Recorded, Return To:
Kendra S. Follett, Esquire
Sherman & Howard LLC
50 West Liberty Street, Suite 1000
Reno, NV 89501

LEASE PURCHASE AGREEMENT

NEVADA STATE UNIVERSITY PROJECT

THIS LEASE PURCHASE AGREEMENT (this "Lease" or "Agreement") is dated as of November 1, 2023, between the Nevada Real Property Corporation, as lessor (the "NRPC" or "Lessor"), and the STATE OF NEVADA, acting by and through the Nevada System of Higher Education ("NSHE") as lessee (collectively the "State" or "Lessee").

WHEREAS, in accordance with NRS 353.500 through 353.630 (collectively, the "Act"), NSHE proposed the construction of a nursing/science/education building and a student activities/administration building for Nevada State University, formerly Nevada State College (collectively, the "Financed Facilities," which includes any changes or amendments to the Financed Facilities actually constructed, as permitted in this Lease) and financed the construction with proceeds of the "Lease Revenue Certificates of Participation (Nevada State College Project) Series 2013" (the "2013 Certificates"); and

WHEREAS, in accordance with the Act, the State, acting by and through NSHE, has proposed the refunding of the 2013 Certificates for interest rate savings and/or to effect other economies (the "Project") with proceeds of the "Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023" (the "2023 Certificates"); and

WHEREAS, in accordance with NRS 353.550, NSHE has constructed the Financed Facilities and anticipates that payments due under the lease-purchase agreement for the Financed Facilities will be made with state appropriations; and

WHEREAS, the Financed Facilities have been approved by the Interim Finance Committee (the "IFC"); and

WHEREAS, in accordance with the Act, NSHE has submitted this Lease to the State Treasurer, the Chief of the Budget Division of the Department of Administration (the "Chief") and the State Land Registrar for their review and transmittal to the State Board of Finance; and

WHEREAS, this Lease has been approved by the State Board of Finance and the lease of the Premises (as defined below) to the NRPC (the "Ground Lease") has been approved by the State Board of Examiners and the State Board of Finance; and

WHEREAS, upon the recommendation of the State Treasurer, the provisions of NRS 353.550(1)(d) prohibiting issuance of certificates of participation in this Lease have been waived by the State Board of Finance upon its finding that waiving such prohibition is in the best interests of the State and complies with federal securities laws; and

WHEREAS, the NRPC is a not-for-profit corporation created for the purpose of financing, acquiring, and leasing projects to the State and its agencies in accordance with the Act; and

WHEREAS, the NRPC is empowered to acquire property, to enter into agreements with the State and State agencies, including NSHE, in furtherance of the purposes of the Act, and to acquire, develop, maintain, and finance real property and improvements, including the Financed Facilities, and to lease such property and improvements to the State or its agencies; and

WHEREAS, pursuant to the Act, the State is authorized to enter into lease-purchase and other agreements extending beyond the biennium in which the agreement is executed for the purpose of acquiring improvements to real property if specified conditions are satisfied; and

WHEREAS, nothing herein obligates the Legislature of the State to make appropriations with which to make Rent (as defined herein) payments hereunder and nothing herein obligates the State to this Lease beyond the period for which an appropriation sufficient to make payments of Base Rent and Additional Rent (as defined herein) has been made by the Legislature;

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the parties agree:

ARTICLE I

DEFINITIONS

In addition to the terms defined elsewhere in this Lease, the following terms have the meanings given below unless the context clearly requires otherwise:

"Act" shall mean NRS 353.500 through 353.630, as amended and supplemented.

"Additional Rent" means any payments required to be made hereunder in addition to Base Rent including, but not limited to, NRPC Administrative Costs, all required payments of the costs and expenses of the Trustee not paid with proceeds of the Certificates and payments required to be made into the Reserve Fund as provided in the Indenture.

"Authorized Officer," when used:

a. with respect to the Lessee, means the State Treasurer or other State official who is designated in writing by the State Treasurer as a person authorized to act for the State Treasurer for the purposes of this Lease. When acting as an Authorized Officer hereunder, if a state agency or officer's approval of any action hereunder is needed other than the approval of the

State Treasurer, means the Chancellor or other NSHE official who is designated in writing by the Chancellor as a person authorized to act for the Chancellor for the purposes of this Lease;

b. with respect to Lessor, means the President of Lessor or any other or additional officer of Lessor designated in writing by the President of Lessor for the purposes of this Lease;

c. with respect to any assignee of Lessor, means the one or more officers or other representatives of the assignee designated in writing by such assignee as an Authorized Officer of Lessor for the purposes of this Lease.

"Base Rent" means the payments, including the principal and interest components of those payments, specified in Exhibit B.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banks in New York, New York, in the location of the offices of the State Controller or State Treasurer, or in the location of the principal corporate trust office of the Trustee, are authorized by law to remain closed.

"Certificates of Participation" or "Certificates" shall mean the certificates evidencing a right to participate in the payments made by Lessee hereunder issued pursuant to the Indenture.

"Certificate Resolution" shall mean the resolution or resolutions of the NRPC, as amended and supplemented, authorizing the issuance of Certificates of Participation.

"Chancellor" means the Chancellor of NSHE, including any acting Chancellor, or any successor in functions thereto.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder.

"Cost of the Project" shall mean any proper and reasonable cost, whether or not specifically mentioned herein, of the Project, including costs, whether incurred by it or another, (1) of evaluating, analyzing and planning; (2) of administrative, accounting, auditing, legal and other general expenses; (3) of fees and expenses of any trustees, depositories, escrow agents and paying agents, legal counsel, financial advisors, underwriters and other costs pertaining to the issuance of the Certificates; and (4) of interest or financing charges incurred to temporarily finance the payment of any cost items described herein.

"Costs of Delivery Account" means the Cost of Delivery Account for the Project described in the Indenture and held by the Treasurer from which the expenses of the Project will be paid.

"Defeasance Obligations" means (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian,

under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively or (5) securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof.

"Escrow Account" means the account created under the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement with the trustee for the 2013 Certificates, as escrow agent.

"Event of Default" means an Event of Default described in Section 12.1.

"Event of Nonappropriation" means an Event of Nonappropriation described in Section 3.3.

"Financed Facilities" shall mean the leasehold interest in the Premises described in the Ground Lease and improvements thereon and all appurtenances thereto, subject to the encumbrances described in Exhibit A hereto.

"Fiscal Year" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period which may be established hereafter as the Fiscal Year of Lessee for budgeting and appropriation purposes.

"Indenture" means the Indenture of Trust dated as of November 1, 2023 between the NRPC and the Trustee pursuant to which the Certificates will be issued.

"Interest Rate for Advances" means that average of the interest rate per annum announced by the two largest banks in the State, as their "prime rate" or their "base rate" in effect as of any date hereinafter specified.

"Lease" or "Agreement" shall mean this Lease-Purchase Agreement, including any amendments or supplements thereto.

"Lease Payments" or "Rent" shall mean, Base Rent and Additional Rent payable by Lessee in accordance with Article VI with respect to the Project.

"Lease Assignment" means the full and absolute assignment of the Lease by NRPC to the Trustee, including all rights to receive payment hereunder by Lessee as permitted in Section 4.2 hereof.

"Lease Term" shall mean the term of this Lease as provided in Section 3.2.

"NRPC" or "Lessor" shall mean the Nevada Real Property Corporation, a public not-for-profit corporation, of the State of Nevada.

"NRPC Administrative Costs" shall mean expenses of the NRPC (including reasonable reserves for such expenses) for allocable administration and general expenses of the NRPC, expenses for maintenance and repairs, insurance premiums, utility charges, legal, financial, architectural and engineering expenses, fees and expenses of fiduciaries under the Certificate Resolution, bond insurance, guaranty and/or letter of credit fees, interest and finance charges, and any other expenses or contingencies to be paid or provided for by the NRPC, all to the extent properly attributable to the Project and payable by the NRPC. NRPC Administrative Costs shall not include any Cost of the Project or any provision for depreciation, amortization or similar charges or any expenses for maintenance and repairs, utility services or insurance to be paid for or provided by the State.

"Premises" shall mean the real property described in Exhibit A attached hereto and incorporated herein, all improvements thereon, and all appurtenances thereto, subject to the encumbrances described therein.

"Project" shall mean the refunding of the 2013 Certificates, funding the Reserve Fund, if any, and the Cost of the Project.

"Trustee" means U.S. Bank Trust Company, National Association and any successor thereto.

ARTICLE II

EFFECTIVE DATE

Section 2.1 **Effective Date.** This Lease shall be effective as of the date stated above upon its execution.

ARTICLE III

LEASE OF PROJECT; TERM OF LEASE

Section 3.1 **Lease of the Project.** The NRPC hereby leases the Financed Facilities to the State acting by and through NSHE and the State acting by and through NSHE hereby leases the Financed Facilities from the NRPC upon the terms and conditions set forth herein.

Section 3.2 **Term of Lease.** This Lease shall be in full force and effect from the effective date hereof for a term expiring on the earlier of:

- (a) June 1, 2043;
- (b) the date this Lease is terminated by the Lessee as provided in Section 3.3;
- (c) the date on which this Lease is terminated by Lessor under Section 12.2; or
- (d) the date the Lessee acquires the Financed Facilities pursuant to Article 15 hereof.

"Lease Term" shall mean the period between the effective date hereof and the date on which this Lease terminates (the "Termination Date") as provided in the foregoing sentence.

Section 3.3 Termination Upon Nonappropriation.

(a) Upon enactment by the legislature of a legislative measure constituting a NSHE budget appropriation for a Fiscal Year, but in no event later than July 15th of the Fiscal Year, NSHE shall certify to the Authorized Officer of the Lessee that funds have or have not been appropriated for the Fiscal Year in a sufficient amount to prevent termination under paragraph (b). The Authorized Officer of the Lessee will advise the Trustee promptly and in no case later than the first day of August of each Fiscal Year whether funds have been appropriated for the Fiscal Year sufficient to prevent this Lease from terminating under paragraph (b).

(i) No determination of nonappropriation shall be made unless (A) there is a failure of the legislature to appropriate money to NSHE for Nevada State University in an amount at least equal to payments due pursuant to this Agreement or (B) the legislature by express terms of a statute provides that, of the funds appropriated to NSHE for Nevada State University, no amount or an insufficient amount is available for payments due pursuant to this Agreement.

(ii) The Lessee shall substantially follow the form attached hereto (Attachment A) in rendering the certification required herein.

(b) This Lease shall terminate as of the first day of October of any Fiscal Year for which funds have not been appropriated for the Lease Payments required under this Lease in an amount sufficient to pay Base Rent (taking into account any credits from capitalized interest as provided in Section 6.2(i) hereof) and reasonably anticipated Additional Rent due in that Fiscal Year. Upon the occurrence of such a termination, Lessee shall not be obligated to make Lease Payments hereunder with respect to the Fiscal Year for which such Termination occurs, but shall be obligated to make payments hereunder with respect to any period prior to the start of such Fiscal Year, to the extent sums have been appropriated for that purpose.

(c) If this Lease is terminated as a result of non-appropriation of funds for Lease Payments required hereunder (an "Event of Nonappropriation"), Lessee shall relinquish to Lessor all of Lessee's rights, title and interest in and to the Financed Facilities. Lessee shall, at the option of Lessor, execute and deliver all such releases, instruments of conveyance or documents as may be necessary or appropriate to evidence and effectuate the aforesaid relinquishment and/or conveyance to Lessor. The provisions of this subsection (c) shall survive the termination, as aforesaid, of this Lease.

(d) As provided in NRS 353.550:

(i) All obligations of the State and any state agency are extinguished by the failure of the legislature to appropriate money for the ensuing Fiscal Year for payments due pursuant to this Agreement;

(ii) This Agreement does not encumber any property of the State or any state agency except for the Financed Facilities that are leased under this Agreement;

(iii) Property of the State of Nevada and of any state agency, except for the Financed Facilities that are leased under this Agreement, must not be forfeited if:

(1) The legislature fails to appropriate money for payments due pursuant to this Agreement; or

(2) The State of Nevada or any state agency breaches this Agreement;

(iv) For the 2023-2025 biennium in which this Agreement is executed, this Agreement does not require payments that are greater than the amount authorized for such payments pursuant to the applicable budget of the state agency.

ARTICLE IV

REFINANCING, ASSIGNMENTS AND FINANCING

Section 4.1 Refinancing of Financed Facilities; Assignment of Contracts.

Pursuant to NRS 353.590, refinancing of the Financed Facilities shall be conducted as specified in this Agreement.

(a) The Lessee, acting on behalf of Lessor, hereby agrees that it will make all contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be necessary, requisite or proper for the Financed Facilities. The Chancellor is responsible for administering the construction on behalf of Lessee. The Lessee agrees to comply with all applicable law in connection with the making of contracts for the Financed Facilities. The Lessee and the Lessor further agree, notwithstanding anything to the contrary contained in this Lease, the Indenture or the Ground Lease, and the plans and specifications for the Financed Facilities shall be entered into, obtained, made or approved, as appropriate, by the Lessee. The Lessee hereby further agrees that title to the Financed Facilities and all fixtures thereto and to all Equipment or other personal property acquired with proceeds of the 2013 Certificates shall be held by the Lessor, subject to this Lease, the Ground Lease and the Indenture.

(b) The Financed Facilities have been constructed. The Lessee may change the description of the Financed Facilities so long as such changes do not cause the Financed Facilities to be suitable only for purposes other than lawful governmental purposes of the Lessee. So long as this Agreement is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Lessee shall have full power to carry out the acts and agreements provided in this Section, and such power is granted and conferred under this Agreement to the Lessee, and is accepted by the Lessee and shall not be terminated or restricted by act of the Lessor, the Trustee or the Lessee, except as provided in this Section.

(c) All property interests of the State in the improvements constructed as part of the Financed Facilities (including all work in progress, materials, supplies and other personal property being incorporated or to be incorporated into the Financed Facilities) shall be the property of Lessor, subject to the provisions of the Ground Lease.

(d) So long as no Event of Nonappropriation or Event of Default shall occur, and so long as the Lessee's right to control the Financed Facilities has not otherwise been terminated pursuant to subsection (c) hereof, the Treasurer shall disburse moneys from the Costs of Delivery Account in payment of the Cost of Project. Under the Indenture, the Lessor has authorized and directed the Treasurer to disburse moneys from the Costs of Delivery Account to pay the Cost of the Project as provided herein. The Lessee hereby consents and agrees to such disbursements by the Treasurer.

Section 4.2 Assignments.

(a) Subject only to (i) the prior written consent of the Trustee, if any, and if none, of the Lessor (ii) receipt of written confirmation that the then outstanding ratings of the Certificates will not be adversely affected thereby, and (iii) Lessee's delivery of an opinion of nationally recognized bond counsel that such assignment, transfer, or other disposition will not adversely affect the excludability from gross income for federal income tax purposes of the interest component of Base Rent payments and of the interest with respect to the Certificates, Lessee may assign, transfer, pledge, hypothecate or grant any security interest in or otherwise dispose of this Agreement, or the Financed Facilities, or any interest in this Agreement or the Financed Facilities, inclusive of Lessee's options to purchase granted in Article XV, above. In addition, provided it does not violate Section 11.5 hereof, Lessee may sublease the Financed Facilities or permit it to be operated by anyone other than Lessee, Lessee's employees or persons authorized by Lessee in connection with Lessee's operation and maintenance for the Financed Facilities provided that Lessee continues to be responsible for Lease Payments and all expenses of assignment or subletting.

(b) Lessor shall assign, without recourse, all of its rights, title and interests and responsibilities and obligations in and to this Agreement, the Financed Facilities and any documents executed with respect to this Agreement to the Trustee, pursuant to the Indenture. Upon such an assignment by NRPC, NRPC shall have no further obligations under the Lease. Those assigned rights, title and interest of Lessor may be further assigned, and the assignees may grant or assign a security interest in this Agreement and the Financed Facilities, in whole or in part. Any such assignee shall have all of the rights and obligations of Lessor which are transferred under this Agreement. Upon such assignment, Lessor or its assignee will cause written notice of the assignment to be sent to Lessee and no further action will be required by Lessor or its assignee or by Lessee to evidence the assignment, but Lessee will acknowledge such assignment in writing if so requested. Trustee, as assignee, is a beneficiary of all representations and warranties made by the State in this Agreement and in the Ground Lease.

(c) Lessee acknowledges that Lessor will assign to Trustee, Lessor's rights, title and interest under this Lease. Such an assignment will be made in order to facilitate the issuance of the Certificates, and Lessee agrees to reasonably cooperate with Lessor in any such Certificate offering. Lessee will make such disclosures as are necessary to comply with Rule 15c2-12 of the Securities Exchange Commission of the United States, and sign a certificate evidencing such an agreement.

(d) Subject to the preceding subsections, this Lease inures to the benefit of and is binding upon the successors or assigns of the parties to this Lease.

Section 4.3 Financing the Project and the Cost of the Project. The NRPC agrees to use its best efforts to have the Certificates promptly issued. All proceeds received from the sale of the Certificates shall be applied to the Project as provided in Section 2.06(b) of the Indenture. Interest earned on proceeds of the Certificates, excluding proceeds in the Escrow Account, shall be applied in the circumstances described in the Indenture to the Cost of the Project or to pay the principal of and interest on the Certificates as provided in the Indenture.

ARTICLE V

USE OF FINANCED FACILITIES

Section 5.1 Use of Financed Facilities. The Financed Facilities may be used by NSHE or for any other permitted public uses as may be lawful and in the best interests of NSHE and the State. The NRPC agrees that NSHE may enter into such agreements as may be reasonable and appropriate with private persons or companies for the purpose of operating the Financed Facilities provided such agreements do not adversely affect the exclusion of interest on the Certificates of Participation from gross income for purposes of federal income taxation or subject the Financed Facilities to ad valorem property taxes.

ARTICLE VI

RENT

Section 6.1 Payment of Rent. In consideration of the lease of the Financed Facilities, the Lessee shall pay Rent computed as follows:

(a) As Base Rent, without any set-off or deduction whatsoever the amounts shown in the "Total Base Rent" column of Exhibit B, on the date those amounts are due. Such payments shall be made by wire transfer directly to the Trustee, as assignee of Lessor's rights to receive Base Rental payments.

(b) As Additional Rent, the amounts due hereunder in addition to Base Rent. In addition to third parties to whom additional rent is paid, NRPC shall be entitled to receive Additional Rent for its reasonable NRPC Administrative Costs attributable to the Financed Facilities as they become due and are paid by NRPC, as approved by the Chancellor of NSHE with notice to the State Treasurer, provided that the legislature has budgeted sufficient funds to pay those expenses or legally available funds are otherwise provided by NSHE to the State. The NRPC will provide to the State and NSHE an estimate of its NRPC Administrative Costs for each biennium commencing on July 1 of each odd numbered year not later than June 15 of the calendar year preceding the calendar year in which each biennium commences.

Any installment of Rent which is not paid by Lessee on or before the due date thereof shall, from and after said due date, bear interest until paid at the highest rate per annum attributable to any of the Installments of Base Rent as shown in Exhibit B hereto; time being of the absolute essence of this obligation.

Section 6.2 Credits Against Base Rent. There shall be credited against the amount of Base Rent otherwise payable hereunder amounts equal to (i) any earnings or the

proceeds of the Certificates that are applied to payment of Base Rent as provided in the Indenture; (ii) any moneys paid as Base Rent as provided in Section 10.1 hereof; and (iii) any moneys paid as Base Rent as provided in Section 4.1(f)(i) hereof or Section 10.1 hereof; and (iv) any moneys otherwise deposited with the Trustee, invested in Defeasance Obligations that mature on or before one or more Base Rent Payment Dates and directed by the Authorized Officer to be applied toward designated amounts of Base Rent (not to exceed the amount available as a result of the maturity of such securities) on those designated Base Rent payment dates. Twenty-five (25) days prior to the date on which any payment of Base Rent is due, the Trustee shall notify the Authorized Officer as to the exact amounts which will be applied in reduction of Base Rent due on such date. If further amounts applicable in reduction of Base Rent accrue during such 25 day period, such amounts shall be applied as a reduction of the next succeeding payment of Base Rent or, if such date is the final payment date, then such accrued amounts shall be applied as a reduction of the final payment of Base Rent. Base Rent is also subject to prepayment in whole or in part by the State if it provides money or Defeasance Obligations to the Trustee sufficient to prepay or defease designated amounts of designated maturities of the Certificates in the time and manner provided in the Indenture together with instructions designating the amounts and maturities to be so prepaid or defeased and specifying the prepayment date or dates, if any, and in such an event, the Base Rent due after such a defeasance or prepayment (which shall consist of an amounts sufficient to timely pay all principal and interest due with respect to the remaining Outstanding (as defined in the Indenture) Certificates) shall be recalculated by the Trustee and an amended Exhibit B shall be provided by Trustee to attach hereto. In addition, in the event of the issuance of Additional Certificates as provided in Section 2.10 of the Indenture, Base Rent due shall be recalculated by the Trustee and an amended Exhibit B shall be provided by Trustee to attach hereto.

Section 6.3 Best Efforts to Obtain Appropriation. The State Treasurer and NSHE shall use their reasonable best efforts to include sufficient funds to include in the State's budget for that biennium all Lease Payments due in each biennium.

ARTICLE VII

OPERATION AND MAINTENANCE OF THE PROJECT

Section 7.1 Operation, Repairs, and Maintenance. NSHE shall, throughout the term of this Lease, at the NSHE's cost and expense, keep and maintain the Financed Facilities and all equipment, fixtures, additions and improvements thereof in good order and condition and shall make all ordinary and necessary repairs, renewals, and replacements with respect to the Financed Facilities.

Section 7.2 Taxes and Utilities. NSHE shall timely pay all taxes, assessments, costs, expenses, charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Financed Facilities during the term of this Lease.

Section 7.3 Insurance.

(a) NSHE shall provide the following insurance for the Financed Facilities and shall include NRPC in its property and liability insurance programs at all times during the Lease Term:

(i) The Financed Facilities shall be insured under property insurance policy at 100% of replacement cost (to the extent such insurance is reasonably available) or included in a self-insurance program with similar protections;

(ii) NSHE shall also maintain liability insurance for the Financed Facilities (to the extent such insurance is reasonably available) or include the Financed Facilities in a self-insurance program for liability risks;

(b) Insurance policies shall be procured from companies authorized to do business in the State of Nevada and which have an A.M. Best rating of A- VII or better. NSHE shall include NRPC as a named insured on its liability insurance policy and include NRPC and the Trustee as Additional Insureds as their interest may appear, on its property insurance policy or protect the interests of NRPC and the Trustee to a similar extent through its self-insurance program.

(c) The NRPC and NSHE hereby release each other from any and all liability or responsibility to the other as to any person claiming through or under either by way of subrogation or otherwise for any loss or damage to property caused by any casualty insured by the above-described insurance coverages, even if the loss is caused by the fault or negligence of the other party or by any party for whom the other party is responsible.

(d) NSHE shall, by August 1 of each year, certify to the Trustee that it has in effect the insurance coverage described above for the period described in such certificate. If the coverage applies for a period shorter than 12 months, a new certificate indicating that the State has the insurance coverage described above shall be provided in the last month covered by the prior certificate.

Section 7.4 Payments by Lessor. If Lessee fails to pay operation, repair or maintenance expenses or taxes, assessments and other charges as required by Sections 7.1 and 7.2, or to pay insurance premiums or to maintain insurance as required by Section 7.3, Lessor, or Trustee, may (but shall not be obligated to), upon 10 days, advance written notice to Lessee, advance and apply moneys to pay any such required charges or items. Any moneys so advanced shall be payable by Lessee as Additional Rent on written demand therefor and shall bear interest from the date of advancement at the Interest Rate for Advances.

ARTICLE VIII

INDEMNITY

Section 8.1 Indemnification. The State and NSHE each hereby agrees to defend, protect, hold harmless and indemnify the NRPC and its agents, employees, representatives, successors, and assigns (including the Trustee), against all demands, claims, liabilities, causes of

action or judgments, and all loss, expense and damage of any and every sort and kind, including, but not limited to, costs of investigations and attorneys' fees and other costs of defense, for:

(a) injury to person or property occurring in, upon or about the Financed Facilities or any adjacent or related real property or improvements owned, occupied or controlled by the State, NSHE or any of its agencies, departments, bureaus or other state governmental entities;

(b) injury to person or property arising out of the use or occupancy of the Financed Facilities or relating in any manner to operations conducted thereon;

(c) any other premises liability relating to the Financed Facilities including, without limitation, any environmental liabilities;

(d) any loss to person or property to the extent of its self-insurance, if any;

(e) all liability whatsoever arising out of any public or governmental activities of the State of any kind or nature whatsoever; and

(f) the acceptance and performance of the duties and obligations of the Trustee under the Indenture and any documents related to the 2023 Certificates.

The State's and NSHE's obligation to indemnify the NRPC shall be subject to the limitations set forth in NRS Chapter 41 and this Section 8.1 specifically does not waive the State's or NSHE's limited liability.

ARTICLE IX

ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Section 9.1 Alterations, Additions, and Improvements. The State and NSHE shall have the right, at any time and from time to time during the term of this Lease, at the State's or NSHE's cost and expense, to make such repairs, replacements, alterations, additions, expansions and improvements, structural or otherwise, to the Financed Facilities and the furniture, fixtures and equipment thereof, as the State or NSHE shall deem necessary or desirable in connection with its use of the Financed Facilities. All such repairs, replacements, alterations, additions and improvements shall be of such character as to not materially reduce or otherwise materially adversely affect the value of the Financed Facilities or the rental value thereof and all the costs thereof shall be promptly paid or discharged so that the Financed Facilities shall at all times be free of liens or claims for labor and materials supplied thereto. All repairs, replacements, alterations, additions, fixtures and permanent improvement to the Financed Facilities shall be and become a part of the Financed Facilities and subject to this Agreement.

ARTICLE X

DAMAGE, DESTRUCTION, AND CONDEMNATION

Section 10.1 Damage, Destruction, or Condemnation. In the event of damage, destruction, or condemnation of the Financed Facilities, or any part thereof, the net proceeds of any insurance or condemnation awards with respect to the Financed Facilities and, to the extent necessary, the proceeds of any additional Certificates of Participation which are issued pursuant to an agreement of the parties hereto, shall be used and applied to repair, restore, rebuild, or replace the Financed Facilities. In case of any damage to or destruction of the Financed Facilities or any part thereof, Lessee will promptly give or cause to be given written notice thereof to Lessor generally describing the nature and extent of such damage or destruction. There shall be no abatement or diminution of Base Rent and Lessee shall, whether or not the net proceeds of insurance, if any, received on account of such damage or destruction shall be sufficient for such purpose, promptly commence and complete, or cause to be commenced and completed the repair or restoration of the Financed Facilities as nearly as practicable to the value and condition thereof existing immediately prior to such damage or destruction, with such changes or alterations, however, as Lessee may deem necessary for proper operation of the Financed Facilities. The net proceeds of any insurance, self insurance program payments or condemnation available (the "Net Proceeds") shall be held by Trustee. If an Event of Nonappropriation or Event of Default has not occurred Net Proceeds shall applied to the costs of such repair or restoration of the Financed Facilities as such costs are incurred by Lessee, except that Net Proceeds of any lost income or lost rental insurance policies (or such components of insurance policies) shall be applied to payment of Base Rent.

In the event of total destruction or condemnation of the Financed Facilities, so long as an Event of Nonappropriation or Event of Default has not occurred, Lessor and Lessee shall apply Net Proceeds and any other moneys available for the purpose, to the acquisition and installation of replacement facilities to constitute the Financed Facilities, unless Lessee exercises its option to purchase the Financed Facilities pursuant to Article 15.

If an Event of Nonappropriation or an Event of Default has occurred before the receipt of Net Proceeds, the Trustee, acting on behalf of the Lessor, may use such proceeds to improve the Financed Facilities or to make a disbursement as provided in Articles IV and VII of the Indenture, as the Trustee may deem appropriate in the best interests of the Owners (as defined in the Indenture) of the Certificates.

Section 10.2 Eminent Domain. Lessee hereby covenants and agrees that to the extent it may lawfully do so, during the Lease Term, Lessee will not exercise the power of condemnation with respect to the Financed Facilities. Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if Lessee should fail or refuse to abide by such covenant and condemns the Financed Facilities, the appraised value of the Financed Facilities shall not be less than the amount necessary to defease the then outstanding Certificates in accordance with Section 15.3.

ARTICLE XI

PARTICULAR COVENANTS

Section 11.1 Compliance with Laws and Regulations. The State or NSHE shall, at its own cost and expense, promptly comply with, or cause to be complied with, all laws and ordinances, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the State, NSHE, the Financed Facilities or the use or manner of use of the Financed Facilities. The State and NSHE shall also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Financed Facilities.

Section 11.2 Covenant Against Waste. The State and NSHE covenant not to do or suffer or permit to exist any hazardous materials, contamination, waste, damage, disfigurement or injury to, or public or private nuisance, in or upon the Financed Facilities and agrees to pay all costs, changes, penalties or any other expense reasonably incurred or to be incurred to remove, restore or reclaim the Financed Facilities or premises thereof.

Section 11.3 Right of Inspection. The State and NSHE covenant and agree to permit the NRPC and its authorized agents and representatives to enter the Financed Facilities at reasonable times during usual business hours for the purpose of inspecting the same, subject to reasonable security requirements and procedures of the State, including Ch. 402.

Section 11.4 Condition of Financed Facilities. The NRPC makes no representation or warranty regarding the condition of the Financed Facilities or land underlying or adjacent thereto and the NRPC shall not be liable for any latent or patent defects in the Financed Facilities. The NRPC agrees, however, to cooperate in enforcing any claims or warranties arising under the Financed Facilities for the benefit of the State.

Section 11.5 Tax Covenants.

(a) Lessee covenants for the benefit of the Lessor and the holders of any Certificates, that it will not take any action or omit to take any action with respect to this Lease, the proceeds of any such Certificates, any other funds of Lessee or the Financed Facilities if such action or omission (i) would cause the interest component of Base Rent to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause the interest component of Base Rent to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full of Base Rent or the termination of this Lease until the date on which all obligations of Lessee in fulfilling the above covenant under the Code have been met; provided that this covenant does not prohibit Lessee from determining to discontinue making appropriations to pay amounts due hereunder as provided in Section 3.3, and does not apply to any actions or inactions with respect to any periods of time after this Lease is terminated pursuant to Section 3.3. The Lessee makes no covenant with respect to taxation of interest on the interest Component of the Base Rent as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Code).

(b) Lessee covenants and agrees to execute and deliver a tax certificate concurrently with the execution and delivery of any Certificates in form and substance reasonably satisfactory to permit bond counsel to opine that the interest component of Base Rent is excluded from gross income for federal income tax purposes.

Section 11.6 Covenant of Quiet Enjoyment. NRPC covenants that it has full right, power and authority to enter into this Lease and that, so long as the State shall pay the Rent and shall duly observe all of its covenants and agreements in this Lease, the State shall have, hold, and enjoy, during the Lease Term, peaceful, quiet, and undisputed possession of the Financed Facilities.

Section 11.7 Covenant Not to Encumber Financed Facilities. Neither Lessor nor Lessee shall encumber the Financed Facilities in any manner except for

(a) Permitted encumbrances (as defined below); and

(b) Encumbrances for the benefit of the Trustee and Certificate owners contemplated in the Indenture.

ARTICLE XII

DEFAULT

Section 12.1 Events of Default.

(a) The following shall be events of default under this Lease:

(i) Failure by the State to pay Base Rent as the same shall become due for any reason other than an Event of Nonappropriation, or

(ii) Lessee's failure to make any other or any other payment pursuant to this Lease when due for any reason other than an Event of Nonappropriation, and the continuing failure to make such payment for a period of sixty (60) Business Days following receipt of notice of failure to make payment; or

(iii) Lessee's failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease, and the failure is not cured within 60 days after written notice of the failure to Lessee, provided that if Lessee proceeds to take curative action that, if begun and prosecuted with due diligence, cannot be reasonably completed within the 60 day period, that period may be extended to any extent necessary to enable Lessee to complete the curative action diligently; or

(iv) a receiver, liquidator or trustee shall be appointed for Lessee; or Lessee shall be adjudicated as bankrupt or insolvent; or any petition for bankruptcy or arrangement pursuant to the federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Lessee.

(b) Notwithstanding the foregoing, if, by reason of Force Majeure (as defined below), Lessee is unable to perform or observe any agreement, term or condition of this Lease, other than any obligation to make the Lease Payments required under this Lease, Lessee shall not be deemed in default during the continuance of such inability. However, Lessee shall use its best efforts to remove or diminish the effects thereof, provided that the settlement of strikes or other labor disturbances shall be entirely within the discretion of the Lessee. For the purpose of this subsection, the term "Force Majeure" means, without limitation, the following:

(i) acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or any civil or military authority, other than the State (with respect to Lessee only); insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any other cause, circumstance or event not reasonably within the control of Lessee, as the case may be.

Section 12.2 Remedies.

(a) Upon the occurrence of an Event of Default, and as long as the Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies; provided, however, that there shall be no right under any circumstances to accelerate the maturities of Base Rent payments or to otherwise declare any Base Rent not then past due or in default to be immediately due and payable:

(i) By written notice to Lessee, request Lessee to (and Lessee agrees that it will) promptly return possession of the Financed Facilities to Lessor, and/or, at Lessor's option, Lessor may enter upon the Financed Facilities and take immediate possession thereof, provided, however, Lessee shall be entitled to ten (10) days to vacate the Financed Facilities premises and conduct its affairs during such time without interference by Lessor;

(ii) Terminate this Lease and the option to purchase granted hereunder and sublease or sell its rights to the Financed Facilities (subject to the Ground Lease).

(iii) Sublease the Financed Facilities for the account of Lessee, holding Lessee liable for all applicable Lease Payments and other payments due during the Lease Term to the effective date of such subleasing and for the difference between the rental and other amounts paid by the sublessee pursuant to such sublease and the amounts payable during the then current Lease Term by Lessee under this Lease; or

(iv) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, to enforce the terms of this Lease, or to recover damages for the breach of this Lease or to rescind this Lease as to the Financed Facilities.

(b) Lessee will remain liable for all covenants and obligations under this Lease, and for all legal fees and other costs and expenses to the extent permitted by law, including court costs awarded by a court of competent jurisdiction upon final adjudication, incurred by Lessor with respect to the enforcement of any of the remedies under this Lease, which liability shall survive any termination of this Lease.

(c) No remedy conferred or reserved to Lessor by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair or be construed to be a waiver of any such right or power, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Lease, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in this Lease.

(d) If an Event of Default occurs and Lessor incurs expenses, including attorneys' fees and expenses, in connection with the enforcement of or the collection of amounts due under this Lease, Lessee shall reimburse Lessor for the expenses so incurred upon demand, together with interest thereon from the date of demand for payment at the Interest Rate for Advances.

(e) No failure by Lessor to insist upon strict performance by Lessee of any provision of this Lease shall constitute a waiver of Lessor's right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by Lessee to observe or comply with any provision of this Lease.

ARTICLE XIII

SURRENDER OF FINANCED FACILITIES

Section 13.1 Surrender of Financed Facilities. In the event that the State fails to appropriate funds to pay Rent due hereunder or this Lease is otherwise terminated due to an Event of Default or Event of Nonappropriation, the State shall immediately quit and surrender the Financed Facilities to the NRPC in good condition, ordinary wear and tear excepted.

ARTICLE XIV

LIMITATION ON OBLIGATIONS

Section 14.1 Obligations of the NRPC and the State Limited to Certain Resources. Notwithstanding any other provisions of this Lease, no obligation assumed by or imposed upon the NRPC by this Lease shall require the performance of any act by the NRPC except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Certificates of Participation or from other funds legally available to the NRPC to meet the cost and expense of such performance.

No obligation assumed by or imposed upon the State by this Lease shall require the performance of any act by the State, including, but not limited to, the payment of Rent, except to the extent that funds may be available for such performance or payment from State appropriations or other funds legally available therefor. This Lease shall not be construed as obligating the Legislature of the State of Nevada to make future appropriations for the payment of Rent or the performance of any other obligations under this Lease. In the event that appropriated funds are not legally available for payment of Rent or other obligations hereunder, then this Lease shall be terminated. The liability of the State for payment of Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Financed Facilities.

ARTICLE XV

RIGHT TO PURCHASE

Section 15.1 Right to Purchase. At any time following the Effective Date stated in Section 2.1, if there is not then existing an Event of Default which would not be cured or remedied by the payments provided for in this Section, Lessee, upon five (5) days' prior written notice to the Lessor and Trustee, has the right to purchase the Financed Facilities on any date by paying to Trustee the amount necessary to defease Base Rent due under this Lease pursuant to Section 15.3. Thereafter, upon payment of that purchase price, Lessor and Trustee shall convey all their right, title and interest in the Financed Facilities to Lessee, in accordance with Section 15.2. If Lessee has paid all of Base Rent hereunder listed on Exhibit B and all Additional Rent due, and this Lease terminates pursuant to Section 3.2(a) hereof, Lessee shall be deemed to have exercised its option to purchase the Financed Facilities unless it otherwise notifies Lessor and Trustee in writing.

Section 15.2 Transfer of Title.

(a) Upon Lessee's exercise of the purchase option granted in Section 15.1, the Financed Facilities shall become the property of Lessee unencumbered by this Lease and all of Lessor's right, title and interest in the Financed Facilities shall pass to Lessee or at its direction, to its designee. In such case, Lessor and its assignee, if any, or both, as the case may be, agree to execute such instruments and do such things as Lessee's reasonably requests, all at the expense of Lessee, in order to effectuate transfer of any and all of Lessor's right, title and interest in the Financed Facilities to Lessee or its designee. Unless otherwise directed in writing by Lessee, title shall be vested in "the Nevada System of Higher Education."

(b) Upon any transfer of title hereunder the transferor's interest in the Financed Facilities shall be conveyed free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights-of-way of record, leases or other tenancy agreements and other matters of record, except (i) the lien with respect to current taxes, not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything of record or not of record that in any way affects title to the Financed Facilities resulting from acts or omissions of Lessee or consented to by Lessee, (iv) any liens and encumbrances now existing listed on Exhibit A, or placed on the Financed Facilities during the Lease Term by Lessee and Lessor jointly or otherwise expressly allowed by Lessor and Lessee in writing, (v) easements and rights of way granted by the

State pursuant to paragraph 5 of the Ground Lease, and (vi) any defects in title, covenants, conditions, restrictions, easements, rights-of-way of record listed in Exhibit A hereto (the items described in clauses (i), (ii), (iv), (v) and (vi) above are herein "Permitted Encumbrances").

Section 15.3 Defeasance.

(a) All Base Rent will be deemed to be paid when:

(i) money or Defeasance Obligations or a combination thereof which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient moneys to pay when due the principal and interest on and any other payments (including redemption premiums) in connection with all then outstanding Certificates to the final maturity date thereof or to a date on which such Certificates have been called for prior redemption is irrevocably deposited in trust with a commercial bank with trust powers and irrevocably set aside exclusively to make such payments, and

(ii) all reasonable, necessary and proper fees, compensation and expenses of Trustee pertaining to the Lease and Trustee's duties in connection therewith and with the Certificates are paid or provided for to the satisfaction of Trustee.

(b) When all Base Rent is deemed paid, as provided above, and Trustee has received the written legal opinion of nationally recognized bond counsel to the effect that the deposit of money or Defeasance Obligations in trust will not cause the interest components of Base Rent, thereafter payable from those sources, to be subject to federal income tax under the Code, Lessor (and any Certificate holder) will be entitled to payment of that Base Rent solely from that money or the proceeds of those Defeasance Obligations and the right, title and interest of Lessor and Trustee under this Lease as to the Financed Facilities shall then cease, terminate and become void, and Lessee, or its designee shall succeed to all right, title and interest in the Financed Facilities, subject however, to any requirements which shall survive any such termination. The Lessor shall then execute such instruments and undertake all such acts, all at the expense of Lessee including, without limitation, recording fees, transfer taxes if applicable, and reasonable attorneys' fees to evidence transfer of all remaining title interest in the Financed Facilities to Lessee or Lessee's designee.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Pledge of Rent, Approval of Indenture. It is expressly understood and agreed by the parties hereto that the NRPC will pledge and assign Base Rent and its rights and interest under this Lease to the Trustee under the Indenture. The form of the Indenture has been provided to Lessee and Lessee hereby approves the Indenture and agrees to the provisions therein that apply to the State.

Section 16.2 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the second business day following the day on which the same are mailed by electronic mail or certified mail, postage prepaid, addressed as follows:

- (a) If to the State, to each of the following:
- (i) to the State Treasurer, 101 N. Carson, #4, Carson City, Nevada 89701
- (ii) to NSHE, 2601 Enterprise Road, Reno, NV 89512, Attention: Chief Financial Officer;
- (iii) to State Lands, to the attention of the Administrator, 901 S. Stewart Street, Suite 5003, Carson City, Nevada 89701-5246;
- (b) If to the NRPC, to the attention of President, Nevada Real Property Corporation, 101 N. Carson, #4, Carson City, Nevada 89701.

The State, NSHE or the NRPC may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notice may be also given by personal delivery of a written notice if to the State by serving the written notice upon the Treasurer and the Administrator, or to NSHE by serving written notice upon the Chancellor or if to the NRPC by serving the written notice upon its President.

Section 16.3 Severability. In case any one or more of the provisions of this Lease shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Lease, but this Lease shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 16.4 Attorney Fees. In the event either party to this Agreement is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

Section 16.5 Headings. The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Lease.

Section 16.6 Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16.7 Amendments. The NRPC and the State shall not, without the written consent of the Trustee as provided in the Indenture and the written consent of NSHE, consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Lease which will reduce the payments required to be made by the State hereunder or which will in any manner materially impair or adversely affect the rights of the NRPC hereunder, and any action by the NRPC or the State in violation of this covenant shall be null and void as to the NRPC and the State.

Section 16.8 Governing Law. This Lease and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Lease and to exclusive venue in the Nevada state district court in Carson City. The parties waive any immunity from suit based on this Lease they otherwise may have in any lawsuit brought in Nevada district court in Carson City.

IN WITNESS WHEREOF, the parties hereunto have caused this Lease to be executed as of the day and year first hereinabove set forth.

NEVADA REAL PROPERTY CORPORATION

By: _____
Zachary B. Conine, President

STATE OF NEVADA:

By: _____
Zachary B. Conine, Treasurer

Approved and Accepted by the NEVADA
SYSTEM OF HIGHER EDUCATION

By: _____
Dale Erquiaga, Acting Chancellor

Executed by the Governor of the State of Nevada

Joe Lombardo, Governor

STATE OF NEVADA)
) ss.
_____)

 This instrument was acknowledged before me on _____ by Zachary B. Conine, as
President of the Nevada Real Property Corporation.

(SEAL)

Notary Public

STATE OF NEVADA)
) ss.

)

 This instrument was acknowledged before me on _____ by Zachary B. Conine, as
State Treasurer.

(SEAL)

Notary Public

STATE OF NEVADA)
) ss.
_____)

 This instrument was acknowledged before me on _____ by Dale Erquiaga, as
Acting Chancellor of the Nevada System of Higher Education.

(SEAL)

Notary Public

STATE OF NEVADA)
) ss.
_____)

 This instrument was acknowledged before me on _____ by Joe Lombardo as
Governor of the State of Nevada.

(SEAL)

Notary Public

EXHIBIT A

A PORTION OF ASSESSOR'S PARCEL NO. 189-03-110-002

**LEGAL DESCRIPTION
FOR
NEVADA STATE COLLEGE**

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTH HALF (N ½) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 3, TOWNSHIP 23 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND ALUMINUM CAP MARKED P.L.S. 8866 SET AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER (NW ¼) OF THE NORTHEAST QUARTER (NE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SAID SECTION 3; THENCE ALONG THE NORTH LINE OF SAID SECTION 3, SOUTH 89°23'54" WEST, 348.74 FEET; THENCE LEAVING SAID NORTH LINE, SOUTH 00°36'06" EAST, 50.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PARADISE HILLS DRIVE AS DEDICATED TO THE PUBLIC PER DOCUMENT NO. 20070216, AS INSTRUMENT NO. 02396 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, SAID POINT BEING THE **POINT OF BEGINNING**; SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, HAVING A RADIUS OF 15.00 FEET, A RADIAL BEARING TO SAID POINT BEARS NORTH 00°36'06" WEST; THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE AND ALONG SAID SURVE TO THE LEFT, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 83°14'43", AN ARC LENGTH OF 21.79 FEET; THENCE SOUTH 06°09'11" WEST, 101.43 FEET; THENCE SOUTH 00°36'13" EAST, 498.77 FEET; THENCE SOUTH 89°23'45" WEST, 938.92 FEET; THENCE NORTH 00°36'13" WEST, 262.62 FEET; THENCE NORTH 89°23'47" EAST, 137.50 FEET; THENCE NORTH 00°36'13" WEST, 349.96 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF PARADISE HILLS DRIVE; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, NORTH 89°22'39" EAST, 516.44 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, NORTH 89°23'54" EAST, 311.82 FEET TO THE **POINT OF BEGINNING**.

CONTAINS 12.12 ACRES MORE OR LESS.

BASIS OF BEARINGS

THE NORTH LINE OF THE NORTHWEST QUARTER (NW ¼) OF THE NORTHEAST QUARTER (NE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 3, TOWNSHIP 23 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, AS SHOWN BY THAT MAP IN BOOK 62 OF PLATS, PAGE 87, ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.

SAID LINE BEARS: SOUTH 89°23'54" WEST.

GLEN J. DAVIS
NEVADA P.L.S. NO. 11825
6345 SOUTH JONES BOULEVARD, SUITE 200
LAS VEGAS, NEVADA 89118
MY COMMISSION EXPIRES: DECEMBER 31, 2014

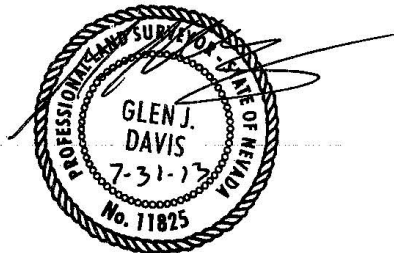
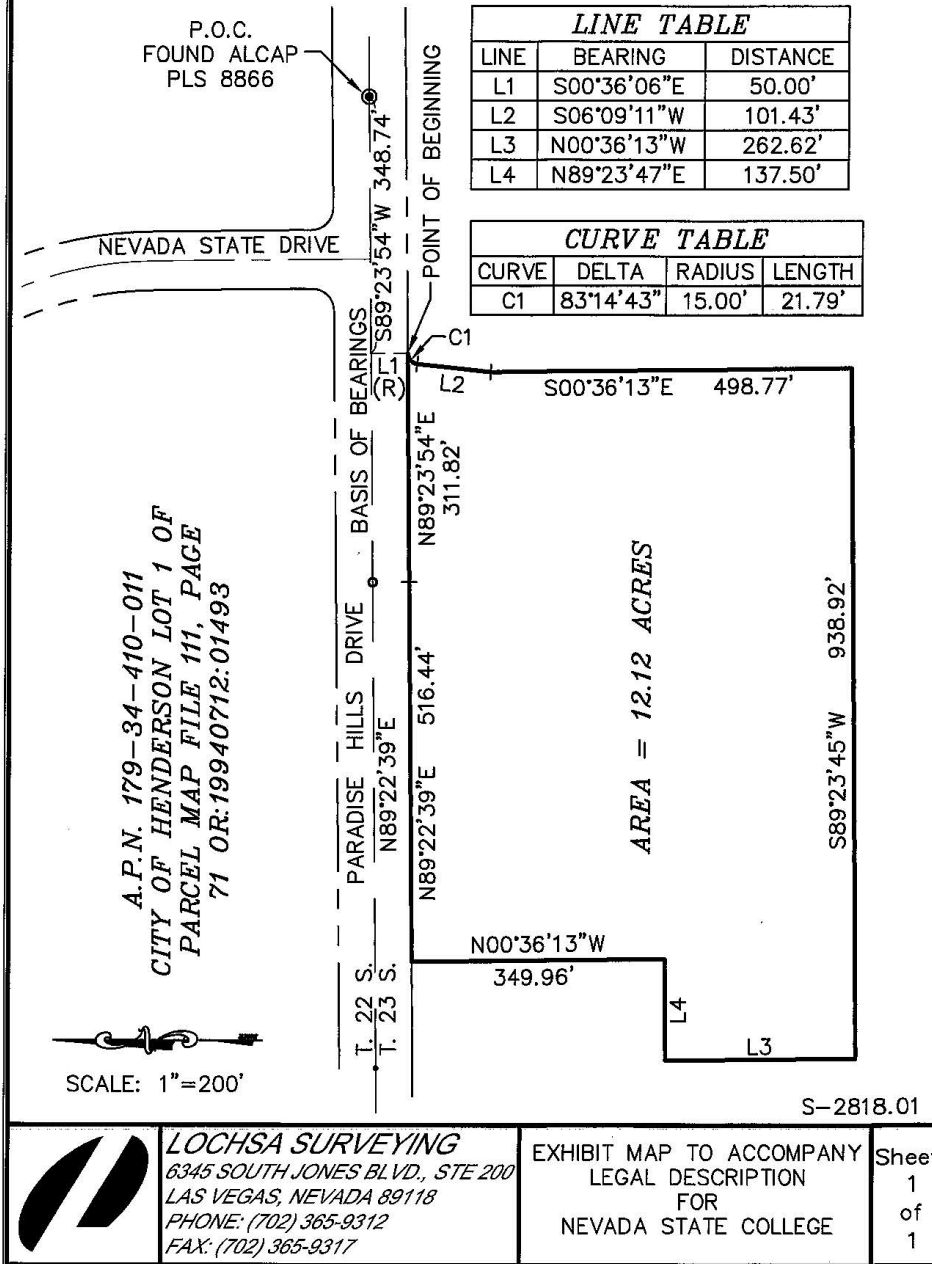


EXHIBIT MAP TO ACCOMPANY LEGAL DESCRIPTION



LOCHSA SURVEYING
 6345 SOUTH JONES BLVD., STE 200
 LAS VEGAS, NEVADA 89118
 PHONE: (702) 365-9312
 FAX: (702) 365-9317

EXHIBIT MAP TO ACCOMPANY
 LEGAL DESCRIPTION
 FOR
 NEVADA STATE COLLEGE

Sheet
 1
 of
 1

Fee Title is vested in: Board of Regents of the Nevada System of Higher Education on behalf of the Nevada State College

-No open deeds of trust

Taxes due:

-Las Vegas Artesian Basin Charge: \$64.43 (currently due)

-For 2012-2013, Las Vegas Artesian Basin Charge, Lien of \$18.20 plus costs and penalties (due and payable)

Exceptions

U.S. Patent granting land to Henderson, pursuant to Public Law 107-282 (the Clark County Conservation of Public Land and Natural Resources Act)

Subject to

Railroad

Right-of-way: Hispanic Broadcasting Corp.

Right-of-way: AT&T re: fiber optic line

Right-of-way: Central Telephone Co. re: fiber optic cables

Right-of way: Electric Lightwave, Inc. re: fiber optic lines

Right-of-way: Bureau of Reclamation re: power lines

Note: The land must be used for the “college” or at the discretion of the Secretary of Interior, Interior, acting through the Director of the Bureau of Land Management, revert back to the US

Recorded: August 12, 2003

Right-of-way granted to Henderson re: a 200 foot wide diversion dike (C-1 Channel), pursuant to Federal Land Policy Management Act (FLPMA)

Recorded: March 18, 1993

Right-of-way granted to Henderson re: Foothills Dr., pursuant to FLPMA

Recorded: September 13, 1994

Duct Purchase Agreement between ATT&T and Citizen Communication Services, Inc. re. route between Laughlin and Henderson

Recorded: September 16, 1994

Right-of-way granted to Henderson re: flood control drainage ditch (100 foot wide), pursuant to FLPMA

Recorded: September 19, 1995

Right of entry granted to Nevada Power Company re: maintenance of electrical facilities, and upon completion, NV Power's standard easement

Recorded: November 21, 2006

Access to equipment agreement between Nevada Power Company and Nevada State College re: installation of electric system

Recorded: December 5, 2006

Easements seen visually in Recorded Map:

- 1. Railroad (Exception #8);**
- 2. 200' wide C1 drainage channel (Exception #9);**
- 3. Portion of Paradise Hills Dr. and a SIDEWALK (public pedestrian access easement)**

NEARBY

- i. Along southeast perimeter- 200' wide intermountain power agency right-of-way (BLM Permit # N-17394);**
 - ii. Multiple roads bordering (i.e. Nevada State Dr., Paradise Hills Dr., High Tech Cir.)**
- 15a. Correction to Recorded Map regarding proper street name: "Nevada State Drive"**

Recorded: August 7, 2007

15b. Distance correction for table in Recorded Map

Recorded: March 21, 2007

Record of Survey

Carves out rectangular plot on northern border, 4.997 acres below Paradise Hills Dr. (NSHE)

Recorded: August 30, 2007

Deed from Henderson conveying land to Board of Regents of the Nevada System of Higher Education on behalf of the Nevada State College

Subject to

- 1. Valid existing rights**
- 2. Must abide by conditions and limitations set forth in Section 704 of Public Law 107-282 (see below)**

Recorded: August 30, 2007

PUBLIC LAW 107-282 (a.k.a the Clark County Conservation of Public Land and Natural Resources Act)

SEC. 704. CONVEYANCE TO THE CITY OF HENDERSON FOR THE NEVADA STATE COLLEGE AT HENDERSON. (NOV. 6, 2002)

(a) DEFINITIONS.—In this section:

(1) CHANCELLOR.—The term “Chancellor” means the Chancellor of the University system.

(2) CITY.—The term “City” means the city of Henderson, Nevada.

(3) COLLEGE.—The term “College” means the Nevada State College at Henderson.

(4) SURVEY.—The term “survey” means the land survey required under Federal law to define the official metes and bounds of the parcel of Federal land identified as “Tract H” on the map.

(5) UNIVERSITY SYSTEM.—The term “University system” means the University and Community College System of Nevada.

(b) CONVEYANCE.—

(1) IN GENERAL.—Notwithstanding the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and section 1(c) of the Act of June 14, 1926 (commonly known as the “Recreation and Public Purposes Act”) (43 U.S.C. 869(c)), not later than 180 days after the date on which the survey is approved, the Secretary shall convey to the City, without consideration, all right, title, and interest of the United States in and to the parcel of Federal land identified as “Tract H” on the map for use as a campus for the College.

(2) CONDITIONS.—

(A) IN GENERAL.—As a condition of the conveyance under paragraph (1), the Chancellor and the City shall agree in writing— (i) to pay any administrative costs associated with the conveyance, including the costs of any environmental, wildlife, cultural, or historical resources studies; (ii) to use the Federal land conveyed for educational and recreational purposes; (iii) to release and indemnify the United States from any claims or liabilities which may arise from uses that are carried out on the Federal land on or before the date of

enactment of this Act by the United States or any person; (iv) as soon as practicable after the date of the conveyance under paragraph (1), to erect at the College an appropriate and centrally located monument that acknowledges the conveyance of the Federal land by the United States for the purpose of furthering the higher education of citizens in the State; and (v) to assist the Bureau of Land Management in providing information to the students of the College and the citizens of the State on—

(I) public land in the State; and

(II) the role of the Bureau of Land Management in managing, preserving, and protecting the public land.

(B) **VALID EXISTING RIGHTS.**—The conveyance under paragraph (1) shall be subject to all valid existing rights.

(3) **USE OF FEDERAL LAND.**—

(A) **IN GENERAL.**—The College and the City may use the land conveyed under paragraph (1) for— (i) any purpose relating to the establishment, operation, growth, and maintenance of the College; and (ii) any uses relating to such purposes, including residential and commercial development that would generally be associated with an institution of higher education.

(B) **OTHER ENTITIES.**—The College and the City may— (i) consistent with Federal and State law, lease or otherwise provide property or space at the College, with or without consideration, to religious, public interest, community, or other groups for services and events that are of interest to the College, the City, or any community located in the Las Vegas Valley; (ii) allow the City or any other community in the Las Vegas Valley to use facilities of the College for educational and recreational programs of the City or community; and (iii) in conjunction with the City, plan, finance, (including the provision of cost-share assistance), construct, and operate facilities for the City on the Federal land conveyed for educational or recreational purposes consistent with this section.

(4) **REVERSION.**—If the Federal land or any portion of the Federal land conveyed under paragraph (1) ceases to be used for the College, the Federal land or any portion of the Federal land shall, at the discretion of the Secretary, revert to the United States.

An Indenture of Trust upon the covenant, conditions and provisions contained therein,

Dated:	November 1, 2013
	NEVADA REAL PROPERTY CORPORATION, A NONPROFIT CORPORATION
	U.S. BANK NATIONAL ASSOCIATION, A NATIONAL BANKING ASSOCIATION, as trustee
Recorded:	November 26, 2013
:	as Document No. _____,
:	Official Records of Clark County, Nevada.

A Ground Lease affecting the premises described herein, executed by and between the parties named herein, for the term and upon the terms, covenants, and conditions therein provided,

Dated: November 1, 2013
Lessor: NEVADA SYSTEM OF HIGHER EDUCATION
Lessee: NEVADA REAL PROPERTY CORPORATION
Term: AS THEREIN PROVIDED
Recorded: November 26, 2013
: as Document No. _____
: Official Records of Clark County, Nevada.

A Lease-Purchase Agreement affecting the premises described herein, executed by and between the parties named herein, for the term and upon the terms, covenants, and conditions therein provided,

Dated: November 1, 2013
Lessor: NEVADA REAL PROPERTY CORPORATION
Lessee: STATE OF NEVADA ACTING BY AND THROUGH THE
NEVADA SYSTEM OF HIGHER EDUCATION
Term: AS THEREIN PROVIDED
Recorded: November 26, 2013
: as Document No. _____
: Official Records of Clark County, Nevada

EXHIBIT B

Payment Due Date	Interest Rate	Principal Base Rent Due	Interest Base Rent Due	Total Base Rent Due
<hr/>				

Payment		Principal	Interest	Total Base
Due	Interest	Base Rent	Base Rent	Rent
Date	Rate	Due	Due	Due

ATTACHMENT A
[On Nevada System for Higher Education letterhead]

Date:

To: The Authorized Officer of the Lessee

From: NSHE

Subject: Certification that sufficient funds have/have not been appropriated for Fiscal Year _____ for Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023 ("the Project")

Pursuant to subsection 3.3(a) of the Lease Purchase Agreement ("LPA") relating to the Project, the undersigned hereby certifies as follows (check one):

- ☐ That funds have been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement ("LPA") pursuant to paragraph b of subsection 3.3 thereof.
- ☐ That funds have **not** been appropriated for Fiscal Year _____ in a **sufficient** amount to prevent termination of the Lease Purchase Agreement ("LPA") pursuant to paragraph b of subsection 3.3 thereof. Check, as applicable:

_____ the Legislature did not appropriate money to NSHE for Nevada State University in an amount at least equal to payments due pursuant to this Agreement

_____ the legislature, by express terms of a statute, provided that, of the funds appropriated to NSHE for Nevada State University, no amount or an insufficient amount shall be available for payments due pursuant to this Agreement.

Nevada System of Higher Education

Dated: _____

By: _____
Chancellor or Chancellor's Designee
If Designee, title:

ATTACHMENT C4

Escrow Agreement NSU

**LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION
(NEVADA STATE UNIVERSITY PROJECT) SERIES 2023**

ESCROW AGREEMENT

DATED as of November 7, 2023, made by and between the **STATE OF NEVADA**, acting by and through the Nevada System of Higher Education, the **NEVADA REAL PROPERTY CORPORATION** and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association having and exercising full and complete trust powers, duly organized and existing under the laws of the United States of America (the "Escrow Agent").

WHEREAS, the officers of the State of Nevada (the "State") and the Nevada Real Property Corporation ("NRPC") have been duly chosen and qualified; and

WHEREAS, pursuant to a resolution adopted by the State Board of Finance on October 19, 2023 (the "Resolution") and a resolution adopted by NRPC (collectively with the Resolution, the "Bond Resolution"), the NRPC has authorized the execution and delivery of the Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023 (the "2023 Certificates"); and

WHEREAS, pursuant to proceedings duly taken, the NRPC has previously issued its "Lease Revenue Certificates of Participation (Nevada State College Project), Series 2013" (the "2013 NSC Certificates") and the only outstanding 2013 NSC Certificates bearing interest at the rates and maturing on the first day of June in each of the designated amounts of principal and designated years, are as follows:

<u>Years Maturing</u>	<u>Interest Rate (Per Annum)</u>	<u>Principal Maturing</u>
2024	5.00%	\$1,335,000
2025	5.00	1,400,000
2026	5.00	1,470,000
2027	4.00	1,545,000
2028	4.125	1,610,000
2029	4.250	1,675,000
2030	4.250	1,745,000
2033	5.00	5,735,000
2035	4.625	4,310,000
2038	4.750	7,250,000
2043	5.00	14,645,000

WHEREAS, the 2013 NSC Certificates are subject to prepayment prior to maturity on and after December 1, 2023 and on any date thereafter at a redemption price equal to the principal amount redeemed, plus accrued interest to the date of prepayment; and

WHEREAS, _____ (the "Purchaser") offered to purchase the 2023 Certificates which are being issued for the purpose, among other purposes, of defraying the cost of refunding the principal of and accrued interest to the prepayment date of \$_____,000 of the 2013 NSC Certificates maturing on December 1, 2024 through December 1, 2043 (the "Refunded Certificates"), upon prepayment on December 15, 2023; and all as set forth in the certified public accountant's report attached as Exhibit 1 to this Escrow Agreement; and

WHEREAS, certificate purchase agreements were submitted for the purchase of the 2023 NSU Certificates to be issued for the purpose of paying, together with other available moneys, the principal of and interest on (the "Refunded Certificate Requirements") the Refunded Certificates, as set forth in the certified public accountant's report attached as Exhibit 1 to this Escrow Agreement (the "Agreement") and paying costs incidental thereto; and

WHEREAS, the 2023 Certificates were sold by competitive sale subject to the approving opinion of the State's special counsel, Sherman & Howard L.L.C. ("bond counsel"); and

WHEREAS, the State, by the Resolution and a certain Indenture of Trust, among other matters:

A. Authorized the State Treasurer and the President of NRPC to execute the offer of the winning bidder for the 2023 Certificates;

B. Created the Escrow Account (as defined below) to be maintained in the Escrow Agent;

C. Provided for the deposit in the Escrow Account of the net proceeds of the 2023 Certificates (other than the portion thereof to be used to defray the administrative and issuance expenses) and other moneys in an aggregate amount fully sufficient, together with the known minimum yield from the investment of such moneys in bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States of America, which obligations are not callable at the option of the issuer thereof ("Federal Securities"), to pay the Refunded Certificate Requirements, as set forth herein (in no circumstances shall the term "Federal Securities" include money market investments even if the money market fund in which the investment is made invests only in Federal Securities);

D. Provided for the purchase of Federal Securities with such moneys credited to the Escrow Account;

E. Provided for the call for prior redemption of the Refunded Certificates on the Redemption Date set forth in the preambles to this Agreement; and

F. Authorized the completion and execution of this Agreement;
and

WHEREAS, a copy of the Resolution has been delivered to the Escrow Agent and the provisions therein set forth are herein incorporated by reference as if set forth herein verbatim in full; and

WHEREAS, the Federal Securities described in Exhibit 1 to this Agreement have appropriate maturities and yields to insure the payment, together with the initial cash (as defined below), of the Refunded Certificate Requirements, as the same become due; and

WHEREAS, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the certified public accountant's report attached as Exhibit 1 to this Agreement, demonstrate the sufficiency of the Federal Securities and initial cash for such purpose; and

WHEREAS, the Escrow Agent is empowered to undertake the obligations and commitments on its part herein set forth; and

WHEREAS, the undersigned officers of the Escrow Agent are duly authorized to execute and deliver this Agreement in the Escrow Agent's name and on its behalf; and

WHEREAS, each of the State and NRPC is empowered to undertake the obligations and commitments on their respective parts set forth herein; and

WHEREAS, the undersigned officers of the State, acting by and through the Nevada System of Higher Education, and NRPC are duly authorized to execute and deliver this Agreement on behalf of the State and NRPC, respectively.

NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH:

That in consideration of the mutual agreements herein contained and in order to secure the payment of the Refunded Certificate Requirements, as the same become due, the parties hereto mutually undertake, promise, and agree for themselves, their respective representatives, successors, and assigns, as follows:

Section 1. Creation of Escrow.

A. Simultaneously with the delivery of the 2023 Certificates, and subject to their issuance, the State, with \$_____ of the proceeds of the 2023 NSC Certificates, \$_____,000 from the debt service fund of the 2013 NSC Certificates and \$_____ from legally available funds of the State shall purchase (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Agreement (the "Initial Federal Securities") and shall cause the Initial Federal Securities and an initial cash balance of \$_____ (the "initial cash") to be credited to and accounted for in a separate trust account created hereunder and designated as the "State of Nevada, Lease Revenue Refunding Certificates of Participation, Series 2023 (Nevada State University Project) Escrow Account" (the "Escrow Account"). Receipt of \$_____ by the Escrow Agent to be applied as provided herein is hereby acknowledged.

B. Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of issuance of the 2023 Certificates or if such substitution is required or permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the applicable regulations thereunder, subject in any case to sufficiency demonstrations and yield proofs in a certified public accountant's report, and subject to a favorable opinion of the State's bond counsel as to the legality of any such substitution, and the continued exemption of interest on the 2023 Certificates and the Refunded Certificates from federal income taxation (except certain alternative minimum taxes described in bond counsel's opinions), and in any event in such a manner so as not to increase the price which the State pays for the initial acquisition of Federal Securities for the Escrow Account. The certified public accountant's report must indicate that the receipts from the substitute securities are sufficient without any need for reinvestment to fully pay the principal of and interest on the Refunded Certificates. Any Federal Securities temporarily substituted may be withdrawn from the Escrow Account when the Initial Federal Securities are purchased and credited to the Escrow Account. Similarly any temporary advancement of moneys to the Escrow Account to pay designated Refunded Certificate Requirements, because of a failure to receive promptly the principal of and interest on any Federal Securities at their respective fixed maturity dates, or otherwise, may be repaid to the person advancing such moneys upon the receipt by the Escrow Agent of such principal and interest payments on such Federal Securities.

C. The initial cash, the proceeds of the Initial Federal Securities (and of any other Federal Securities acquired as an investment or reinvestment of moneys accounted for in the Escrow Account), and any such Federal Securities themselves (other than Federal Securities, including the Initial Federal Securities, held as book entries), shall be deposited with the Escrow Agent and credited to and accounted for in the Escrow Account. The securities and moneys accounted for therein shall be redeemed and paid out and otherwise administered by the Escrow Agent for the benefit of the State as provided in this Agreement and the Resolution.

D. If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, if any, the Escrow Agent shall promptly request alternative written investment instructions from the State with respect to escrowed funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the State. In the absence of investment instructions from the State Treasurer, the Escrow Agent shall hold such funds uninvested until notified by the State Treasurer and not be responsible for the investment of such funds or interest thereon, except for not following instructions of the State Treasurer. The Escrow Agent may conclusively rely upon the State Treasurer's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 2. Purpose of Escrow.

A. The Escrow Agent shall hold the initial cash, all Federal Securities accounted for in the Escrow Account (other than Federal Securities, including the Initial Federal Securities, held as book-entries), and all moneys received from time to time as interest on and principal of such Federal Securities, in trust to secure and for the payment of the Refunded Certificate Requirements, as the same become due. The initial cash shall be held uninvested.

B. Except as provided in paragraph B of Section 1 hereof, the Escrow Agent shall collect the principal of and interest on such Federal Securities promptly as such principal and interest become due and shall apply all money so collected to the payment of the Refunded Certificate Requirements as aforesaid.

Section 3. Accounting for Escrow.

A. The moneys and the Federal Securities accounted for in the Escrow Account shall not be subject to checks drawn by the State or otherwise subject to its order except as otherwise provided in paragraph B of Section 1 and in Section 8 hereof.

B. The Escrow Agent, however, also acting as the paying agent for the Refunded Certificates (the "Paying Agent") shall transfer from time to time from the Escrow Account to the Paying Agent for the Refunded Certificates, sufficient moneys to permit such paying agents to pay, without any default, the Refunded Certificate Requirements, as the same become due, as provided herein and as directed by the duly authorized officers of the State and evidenced in the closing memo attached as Exhibit 2.

C. Except as otherwise provided in paragraph B of Section 1 of this Agreement, there shall be no sale of any Federal Securities held hereunder, and no Federal Securities held hereunder and callable for prior redemption at the State's option shall be called at any time for prior redemption, except if necessary to avoid a default in the payment of the Refunded Certificate Requirements.

Section 4. Maturities of Federal Securities.

A. Any Federal Securities shall be purchased in such manner:

- (i) So that such Federal Securities may be redeemed in due season at their respective maturities to meet such Refunded Certificate Requirements as the same become due, and
- (ii) So that any sale or prior redemption of such Federal Securities shall be unnecessary.

B. There shall be no substitution of any Federal Securities except as otherwise provided in paragraph B of Section 1 of this Agreement.

Section 5. Reinvestments. The Escrow Agent may, and at the written direction of the State shall, reinvest in Federal Securities any moneys (except the initial cash) received in payment of the principal of and interest on any Federal Securities accounted for in the Escrow Account, subject to the limitations of Sections 1 and 4 hereof and of the following additional limitations:

A. Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer.

B. Any such Federal Securities shall mature on or prior to the date or dates when the proceeds thereof must be available for the prompt payment of the Refunded Certificate Requirements, as the same become due and as evidenced by a certified public accountant's report, after such reinvestment, the amounts in the Escrow Account must be sufficient to fully pay the principal of and interest on the Refunded Certificates.

C. Under no circumstances shall any reinvestment of the Initial Federal Securities be made under Section 5 if such reinvestment, alone or in combination with any other investment or reinvestment, violates the applicable provisions of Section 148 of the Tax Code, and the rules and regulations thereunder.

D. The Escrow Agent shall make no such reinvestment of the Initial Federal Securities unless the State first obtains and furnishes to the Escrow Agent: (i) a written opinion of the State's bond counsel to the effect that such reinvestment, as described in the opinion, complies with paragraph 3 of this Section 5 and will not cause interest on the Refunded Certificates to become includible in gross income of the holders of the Refunded Certificates for purposes of federal income taxation; and (ii) a certified public accountant's report stating that after such reinvestment, the funds and Federal Securities in the Escrow Account shall be sufficient to pay the Refunded Certificate Requirements as they become due.

Section 6. Sufficiency of Escrow. The moneys and Federal Securities accounted for in the Escrow Account shall be in an amount (or have appropriate maturities and yields to produce an amount) which at all times shall be sufficient to pay the Refunded Certificate Requirements as they become due, subject to the provisions of Section 10 hereof.

Section 7. Transfers and Redemption Notice for Refunded Certificates.

A. The Escrow Agent, as Paying Agent for the Refunded Certificates, shall make transfers to the paying agents for the Refunded Certificates, as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Certificate Requirements.

B. To the extent the payment of the Refunded Certificate Requirements requires the prior redemption of any Refunded Certificates, the Escrow Agent shall cause notice of such redemption to be given by the Paying Agent for the Refunded Certificates in the manner required by the Resolution and by the resolutions and orders authorizing the issuance, execution and delivery of the Refunded Certificates.

Section 8. Termination of Escrow Account. When payment or provisions for payment shall have been made with the Paying Agent for the Refunded Certificates so that all Refunded Certificate Requirements shall be or shall have been paid in full and discharged, the Escrow Agent shall immediately pay over to the State the moneys, if any, then remaining in the Escrow Account and shall make forthwith a final report for the State to the State Treasurer. Such moneys may be used by the State for any lawful purpose, subject to any limitations in the Resolution.

Section 9. Fees and Costs.

A. The Escrow Agent's total fees for and in carrying out the provisions of this Agreement have been fixed at \$_____.00, which amount is to be paid at or prior to the time of the issuance of the 2023 Certificates directly to the Escrow Agent as payment in full of all charges of the Escrow Agent pertaining to this Agreement for services performed hereunder.

B. Such payment for services rendered and to be rendered by the Escrow Agent shall not be for deposit in the Escrow Account; the fees of and the costs incurred by the Escrow Agent shall not be deducted from such account; and the Escrow Agent shall never assert a lien against the moneys and securities in the Escrow Account.

Section 10. Possible Deficiencies.

A. If at any time it shall appear to the Escrow Agent that the money and any interest on and principal of the Federal Securities in escrow allocable for such use under this Agreement, including, without limitation, the known minimum yield from the Initial Federal Securities, will not be sufficient to make any required payment due on the Refunded Certificate Requirements as the same becomes due, the Escrow Agent shall notify in writing the State Treasurer as soon as reasonably practicable of such fact and the amount of such deficiency.

B. Thereupon the State shall forthwith pay to the Escrow Agent for deposit in the Escrow Account such additional moneys as may be required.

C. The Escrow Agent shall in no manner be responsible for the State's failure to make any such deposit.

Section 11. Status Report.

A. In January 2024 succeeding the date on which all of the Refunded Certificates are redeemed, the Escrow Agent shall submit to the State Treasurer a report covering all money

which the Escrow Agent shall have received and all payments which it shall have made or caused to be made hereunder.

B. The report shall indicate for which period and in which trust bank any Federal Securities (other than Federal Securities held as book-entries) and any uninvested moneys were transferred for safekeeping or any Federal Securities (other than Federal Securities held as book-entries) pledged to secure the repayment to the State of any uninvested moneys were placed in pledge, as permitted by Section 13.

Section 12. Character of Deposit.

A. It is recognized that title to the Federal Securities and money accounted for in the Escrow Account from time to time shall remain vested in the State but subject always to the prior charge and lien thereon of this Agreement and the use thereof required to be made by the provisions of this Agreement and the Resolution.

B. The Escrow Agent shall hold all such Federal Securities (except as they may be held as book-entries) and money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other securities and funds of the Escrow Agent or deposited therein, and shall never commingle such securities or money with other securities or money.

Section 13. Securing Deposit.

A. The Escrow Agent may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the State for payment, if they are registrable for payment, and in such event shall obtain the necessary endorsements from the duly authorized officials of the State as they become due.

B. The State, in connection with any Federal Securities accounted for in the Escrow Account and held as book-entries, shall cooperate with the Escrow Agent and shall forthwith make arrangements with an appropriate representative of the issuer of such Federal Securities, so that the interest on and the principal of the Federal Securities shall be promptly transmitted, as the same become due from time to time, to the Escrow Agent for the benefit of the State.

C. All uninvested money held at any time in the Escrow Account, to the extent not covered by FDIC insurance, shall be continuously secured by the deposit of Federal Securities in a principal amount and value always not less than the total amount of uninvested money in the Escrow Account:

(i) In any branch of the Federal Reserve Bank, or

(ii) In any commercial bank which:

- (a) Is a state or national bank or trust company, and
- (b) Is a member of the Federal Deposit Insurance Corporation, and
- (c) Is a member of the Federal Reserve System, and
- (d) Has a capital and surplus of \$10,000,000 or more, and
- (e) Is exercising full and complete trust powers, and
- (f) Is located in the State or without the State ("trust bank"), or

(iii) In any branch of the Federal Reserve Bank and in one or more trust banks (or any combination thereof).

D. Such Federal Securities so held as a pledge shall be used whenever necessary to enable the Paying Agent for the Refunded Certificates to pay the Refunded Certificate Requirements as the same become due, to the extent other moneys are not transferred or caused to be transferred for such purpose by the Escrow Agent.

E. Any Federal Securities (except as they may be held as book-entries) and any uninvested moneys accounted for in the Escrow Account may from time to time be placed by the Escrow Agent for safekeeping wholly or in part in any such trust bank, only if prior to any such transfer the State Treasurer consents thereto in writing.

F. Each such trust bank holding any Federal Securities accounted for in the Escrow Account or any uninvested moneys accounted for therein, shall be furnished by the Escrow Agent with a copy of this Agreement prior to such deposit.

G. By the acceptance of such Federal Securities or such uninvested moneys each such trust bank shall be bound in the same manner as the Escrow Agent, as herein provided.

H. The Escrow Agent, however, shall remain solely responsible to the State:

- (i) For any investment or reinvestments of moneys pursuant to Sections 1 and 5 hereof,
- (ii) For transfers of moneys and causing redemption notices to be given pursuant to Section 7 hereof,
- (iii) For the termination of the Escrow Account pursuant to Section 8 hereof,

(iv) For any notification of prospective deficiencies pursuant to Section 10 hereof,

(v) For the status report pursuant to Section 11 hereof, and

(vi) For defraying any charges of any branch of the Federal Reserve Bank or any trust bank for any deposits of Federal Securities as pledge to secure uninvested moneys, of Federal Securities in escrow, and of uninvested moneys in escrow (or any combination thereof) or for any other service relating to this Agreement or the Escrow Account.

I. Notwithstanding the liabilities of the Escrow Agent stated in paragraph H of this section, the Escrow Agent may cause any one, all, or any combination of the duties stated in paragraph H to be performed on its behalf by any trust bank.

J. If at any time the Escrow Agent fails to account for any moneys or Federal Securities held by it or by any such trust bank in the Escrow Account, such moneys and securities shall be and remain the property of the State.

K. If for any reason such moneys or Federal Securities cannot be identified, all other assets of the Escrow Agent and of each such trust bank failing to account therefor shall be impressed with a trust for the amount thereof, and the State shall be entitled to a preferred claim upon such assets.

L. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Agent and neither the Escrow Agent nor any such trust bank shall have any right or title with respect thereto.

Section 14. Purchaser's Responsibility. The holders from time to time of the 2023 Certificates shall in no manner be responsible for the application or disposition of the proceeds thereof or any moneys or Federal Securities accounted for in the Escrow Account. This clause shall not relieve the Escrow Agent (if it is a holder of the 2023 Certificates), in its capacity as Escrow Agent, from its duties under this Agreement.

Section 15. Amendment.

A. The 2023 Certificates shall be issued in reliance upon this Escrow Agreement and except as herein provided this Agreement shall be irrevocable and not subject to amendment after any of the 2023 Certificates shall have been issued.

B. The provisions of this Agreement may be amended, waived or modified upon approval of the holders of all of the then outstanding Refunded Certificates. If Moody's Investors

Service, Inc. ("Moody's"), Fitch Ratings ("Fitch"), and S&P Global Services ("S&P") have confirmed in writing that such amendment, waiver or modification will not result in the lowering or withdrawal of any rating on the Refunded Certificates, the provisions of this Agreement also may be amended, waived or modified for one or more of the following purposes:

- (i) to cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this Agreement;
- (ii) to pledge additional revenues, properties or collateral as security for the Refunded Certificates; or
- (iii) to deposit additional moneys or Federal Securities to the Escrow Account.

Notwithstanding any other provision hereof no amendment, modification or waiver shall be effective if it is materially prejudicial to the owners of the Refunded Certificates or affects the exclusion of the interest on the Refunded Certificates or the 2023 Certificates from gross income for federal income tax purposes (and the Escrow Agent shall be entitled to conclusively rely on an opinion of counsel as to whether such amendment, modification or waiver is materially prejudicial to the owners of the Refunded Certificates or affects the exclusion of the interest on the Refunded Certificates or the 2023 Certificates from gross income for federal tax purposes), unless such amendment, waiver or modification is approved by the holders of all of the then outstanding Refunded Certificates.

C. The Escrow Agent shall provide copies of any such amendments, waivers or modifications to Moody's, S&P, and Fitch.

Section 16. Exculpatory Provisions.

A. The duties and responsibilities of the Escrow Agent are limited to those expressly and specifically stated in this Agreement and no implied obligations or covenants shall be read against the Escrow Agent hereunder.

B. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and made in compliance with the provisions hereof.

C. The Escrow Agent shall not be personally liable or responsible for any act which it may do or omit to do hereunder, while acting with reasonable care, except for duties expressly imposed upon the Escrow Agent hereunder or as otherwise expressly provided herein.

D. The Escrow Agent shall neither be under any obligation to inquire into or be in any way responsible for the performance or nonperformance by the State of any of its obligations, nor shall the Escrow Agent be responsible in any manner for the recitals or statements contained in this Agreement, in the Resolution, in the Refunded Certificates, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the State.

E. Nothing in this Agreement creates any obligation or liabilities on the part of the Escrow Agent to anyone other than the State and the holders of the Refunded Certificates and the 2023 Certificates.

F. None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, reports, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

G. The Escrow Agent may at any time resign by giving 30 days written notice of resignation to the State. Upon receiving such notice of resignation, the State shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to the State, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor.

H. The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar

unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the State elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The State agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

I. The Escrow Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Escrow Agent; it being understood that the Escrow Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

J. Any bank, corporation, trust company or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or such commercial bank, corporation, trust company or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation, trust company or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor to the Escrow Agent and vested with all of the title to the Escrow Account and all the powers, immunities, privileges and all other matter as its predecessor under this Agreement without the execution or filing of any document with any party hereto or any further act, deed or conveyance on the part of any of the parties hereto except on the part of any of the parties hereto where an

instruction of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

K. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Neither the Escrow Agent nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Escrow Agreement or in connection herewith except to the extent caused by the Escrow Agent's negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review.

L. To the extent allowed by Nevada law, the State shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby except to the extent caused by the Escrow Agent's negligence or willful misconduct. The foregoing sentence shall survive the termination of this Escrow Agreement or the earlier resignation or removal of the Escrow Agent.

Section 17. Time of Essence. Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 18. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State.

Section 19. Successors.

A. Whenever in this Agreement the State or the Escrow Agent is named or is referred to, such provision is deemed to include any successor of the State or the Escrow Agent, respectively, immediate or intermediate, whether so expressed or not. The rights and obligations under this Agreement may be transferred by the Escrow Agent to a successor that is a commercial or trust company with trust powers having a surplus of not less than \$10,000,000.

B. All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the State or the Escrow Agent contained in this Agreement:

- (i) Shall bind and inure to the benefit of any such successor, and
- (ii) Shall bind and inure to the benefit of any officer, board, authority, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law and relevant right, power, or duty of the State or the Escrow Agent, respectively, or of its successor.

Section 20. Severability. If any section, paragraph, clause, or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement. The State and the Escrow Agent agree to furnish written notice of any finding of invalidity or unenforceability to Moody's, Fitch, and S&P.

IN WITNESS WHEREOF, THE STATE OF NEVADA, has caused this Escrow Agreement to be signed in the State's name by the State Treasurer, **THE NEVADA REAL PROPERTY CORPORATION**, has caused this Escrow Agreement to be signed in its corporate name by its President and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, has caused this Escrow Agreement to be signed in its corporate name by one of its authorized officers, all as of the day and year first above written.

STATE OF NEVADA

By: _____
Treasurer

NEVADA REAL PROPERTY
CORPORATION

By: _____
President

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____
Title: _____

[Signature page to the Escrow Agreement]

EXHIBIT 1

(Attach Certified Public Accountant's Report)

EXHIBIT 2

(Attach Closing Memo)

See Tab in the transcript of proceedings

ATTACHMENT D1
Disclosure Dissemination Agreement

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of [Closing Date], 2023, is executed and delivered by the Nevada Real Property Corporation (“NRPC”), the State of Nevada (the “State”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Certificates (hereinafter defined) in order to provide certain continuing disclosure with respect to the Certificates in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from NRPC and the State through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to NRPC, the State, or anyone on NRPC’s or the State’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Section 2(a) and Section 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the State for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Certificates” means the certificates of participation as listed on the attached Exhibit A, with the CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice required to be, or the Voluntary Event Disclosure or Voluntary Financial Disclosure elected by the State to be, submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by NRPC and the State and include the full name of the Certificates and the CUSIP numbers for all Certificates to which the document applies.

“CUSIP number” means, with respect to any Certificates, the 9-character CUSIP number (the nine characters comprising a combination of digits and letters) relating to such Certificates.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by NRPC and the State pursuant to Section 9 hereof.

“Disclosure Representative” means the Treasurer of the State or his or her designee, or such other person as the State shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the State’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Dissemination Agreement is defined in the Rule, as may be amended, as a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Certificates for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the State, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Certificates (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities) and who, if other than the State, is identified in this Disclosure Agreement as an Obligated Person.

“Official Statement” means that Official Statement prepared by NRPC and the State in connection with the Certificates listed on Exhibit A.

“Trustee” means the trustee for the applicable Certificates as provided in the indenture for those Certificates, and any successor thereto appointed.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports and Other Disclosures.

(a) The State shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the State, commencing with the fiscal year ended June 30, 2023. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the State of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the State will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B (with the appropriate CUSIP numbers for the affected Certificates).

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 3:00 p.m. Pacific time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the State irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B (with the appropriate CUSIP numbers for the affected Certificates), without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the State are prepared but not available prior to the Annual Filing Date, the State shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the State pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below, or another category then available) when filing pursuant to Section 4(c) of this Disclosure Agreement:

- 1. “Principal/interest payment delinquency;”

2. “Non-payment related default,” if material;
 3. “Unscheduled draws on debt service reserve reflecting financial difficulties;”
 4. “Unscheduled draws on credit enhancement reflecting financial difficulties;”
 5. “Substitution of credit or liquidity provider, or its failure to perform;”
 6. “Adverse tax opinion or event affecting the tax-exempt status of the security,” if material;
 7. “Modifications to rights of securities holders,” if material;
 8. “Bond call,” if material;
 9. “Defeasance;”
 10. “Release, substitution, or sale of property securing repayment of the security,” if material;
 11. “Rating change;”
 12. “Tender offer/secondary market purchases;”
 13. “Bankruptcy, insolvency, receivership or similar event;”
 14. “Merger/consolidation/acquisition and sale of all or substantially all assets,” if material;
 15. “Successor, additional or change in trustee,” if material;
 16. “Financial obligation – incurrence or agreement,” if material; and
 17. “Financial obligation – event reflecting financial difficulties”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement (with the appropriate CUSIP numbers for the affected Certificates) with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the State pursuant to Section 7(a) (being any of the categories set forth below, or another category then available) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in Obligated Person;”
 3. “notice to investor pursuant to bond documents;”
 4. “communication from the Internal Revenue Service;”

5. “bid for auction rate or other securities;”
6. “capital or other financing plan;”
7. “litigation/enforcement action;”
8. “change of tender agent, remarketing agent, or other on-going party;”
9. “derivative or other similar transaction;” and
10. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the State pursuant to Section 7(b) (being any of the categories set forth below, or another category then available) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

(viii) provide the State evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The State may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any), and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

(h) The Trustee may deliver notices of redemption or defeasance of Certificates to the Disclosure Dissemination Agent on behalf of the State for filing pursuant to Section 4. Upon receipt of any such notice, the

Disclosure Dissemination Agent shall promptly file the text of such notice with the MSRB in accordance with this Disclosure Agreement.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the State, including Audited Financial Statements, if available, and information of the type included in the tables marked with an asterisk in the lists of tables set forth in the Table of Contents pages of the Official Statement.

(b) Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles ("GAAP"). If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the State is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The State will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Certificates constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of Certificate holders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event identified in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The State (or the Trustee on behalf of the State pursuant to Section 2(h)) shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the State desires to make, contain the written authorization of the State for the Disclosure Dissemination Agent to disseminate such information, and identify the date the State desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the State or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the State determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the State desires to make, contain the written authorization of the State for the Disclosure Dissemination Agent to disseminate such information, and identify the date the State desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the State (or by the Trustee on behalf of the State pursuant to Section 2(h)) as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. The Disclosure Dissemination Agent shall promptly deliver to the Disclosure Representative (and Trustee with respect to notices filed at the Trustee's direction pursuant to Section 2(h)) evidence of confirmation of such filing with the MSRB.

SECTION 5. CUSIP Numbers.

(a) Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the State shall indicate the full name of the Certificates and the CUSIP numbers for the Certificates as to which the provided information relates.

(b) The State shall provide timely notification to the Disclosure Dissemination Agent of any new CUSIP numbers in the event new CUSIP numbers are assigned to all or a portion of the Certificates.

SECTION 6. Additional Disclosure Obligations. The State acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the State, and that the failure of the Disclosure Dissemination Agent to so advise the State shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The State acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filings.

(a) The State may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the State desires to make, contain the written authorization of the State for the Disclosure Dissemination Agent to disseminate such information, and identify the date the State desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the State as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

(b) The State may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the State desires to make, contain the written authorization of the State for the Disclosure Dissemination Agent to disseminate such information, and identify the date the State desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the State as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof.

(c) The parties hereto acknowledge that the State is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the State from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice

Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the State chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the State shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the State and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Certificates upon the legal defeasance, prior redemption or payment in full of all of the Certificates of such issue, when the State is no longer an Obligated Person, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The State has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The State may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the State or DAC, the State agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Certificates. Notwithstanding any replacement or appointment of a successor, the State shall remain liable, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the State.

SECTION 10. Remedies in Event of Default. In the event of a failure of the State or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Certificates or under any other document relating to the Certificates, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the State has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the State and shall not be deemed to be acting in any fiduciary capacity for the State, the Holders of the Certificates or any other party. The Disclosure Dissemination Agent shall have no responsibility for the State's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the State has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the State at all times.

The obligations of the State under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Certificates.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the State.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the State and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the State and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Certificates and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the State nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the State. No such amendment shall become effective if the State shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the State, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Certificates, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The Disclosure Dissemination Agent consents to the jurisdiction of the Nevada district courts for enforcement of this Disclosure Agreement.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page follows]

The Disclosure Dissemination Agent, NRPC, and the State have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

STATE OF NEVADA
as State

By: _____
Name: Zachary B. Conine
Title: State Treasurer

NEVADA REAL PROPERTY CORPORATION
as NRPC

By: _____
Name: Zachary B. Conine
Title: President

EXHIBIT A
NAME AND CUSIP NUMBERS OF CERTIFICATES

\$[____]
**LEASE REVENUE REFUNDING
CERTIFICATES OF PARTICIPATION
(CAPITOL COMPLEX BUILDING 1 PROJECT)
SERIES 2023**

Base CUSIP: [____]

Maturity Date <u>(April 1)</u>	Principal <u>Amount</u>	<u>Interest</u> <u>Rate</u>	CUSIP <u>Suffix</u>
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\$[____]
**LEASE REVENUE REFUNDING
CERTIFICATES OF PARTICIPATION
(CASA GRANDE PROJECT)
SERIES 2023**

Base CUSIP: [____]

Maturity Date <u>([April 1])</u>	Principal <u>Amount</u>	<u>Interest</u> <u>Rate</u>	CUSIP <u>Suffix</u>
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\$[____]
LEASE REVENUE REFUNDING
CERTIFICATES OF PARTICIPATION
(NEVADA STATE UNIVERSITY PROJECT)
SERIES 2023

Base CUSIP: [____]

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	<u>Interest</u> <u>Rate</u>	CUSIP <u>Suffix</u>
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EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: **Nevada Real Property Corporation**

Name of Issue: **Lease Revenue Refunding Certificates of Participation (Capital Complex Building 1 Project), Series 2023**

Lease Revenue Refunding Certificates of Participation (Casa Grande Project), Series 2023

Lease Revenue Refunding Certificates of Participation (Nevada State University Project), Series 2023

Date of Issuance: **[__], 2023**

NOTICE IS HEREBY GIVEN that the State of Nevada (the "State") has not provided an Annual Report with respect to the above-named Certificates as required by the Disclosure Dissemination Agent Agreement between the State, Nevada Real Property Corporation, and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The State has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the State of Nevada

cc: Issuer
Obligated Person

ATTACHMENT D2
Preliminary Official Statement

OFFICIAL STATEMENT

[\$[Principal]]* **State of Nevada** **Lease Revenue Refunding** **Certificates of Participation**

[\$[Principal]]*

(Capitol Complex
Building 1 Project)
Series 2023

[\$[Principal]]*

(Casa Grande Project)
Series 2023

[\$[Principal]]*

(Nevada State University Project)
Series 2023

Each Series of Certificates of Participation Evidences Undivided Interests in the Right to
Receive Base Rent Under a Separate Lease Purchase Agreement to be Paid by the

STATE OF NEVADA



* Preliminary, subject to change.

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PRELIMINARY OFFICIAL STATEMENT DATED [____], 2023

In the opinion of Sherman & Howard L.L.C., Special Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2023 Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2023 Certificates (the "Tax Code"), and interest on the Series 2023 Certificates is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. See "TAX MATTERS--Federal Tax Matters" in Part I of this Official Statement.

NEW ISSUES — BOOK-ENTRY ONLY

DAC Bond

RATINGS

Fitch ☐
Moody's ☐
S&P ☐

See "RATINGS"

\$(Principal)*

Lease Revenue Refunding
Certificates of Participation
(Capitol Complex Building 1 Project)
Series 2023

\$(Principal)*

Lease Revenue Refunding
Certificates of Participation
(Casa Grande Project)
Series 2023

\$(Principal)*

Lease Revenue Refunding
Certificates of Participation
(Nevada State University Project)
Series 2023

Each Series of Certificates of Participation Evidences Undivided Interests in the Right to Receive Base Rent
Under a Separate Lease Purchase Agreement to be Paid by the

STATE OF NEVADA

DATED: Date of Delivery

DUE: See inside cover pages

The Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023 (the "Capitol Complex Project Certificates") are being issued to refinance a portion of the cost of the acquisition and construction of the State's Capitol Complex Building 1 Project, as more fully described herein.

The Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023 (the "Casa Grande Project Certificates") are being issued to refinance a portion of the cost of the acquisition and construction of the State's Casa Grande Project, as more fully described herein.

The Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023 (the "Nevada State University Project Certificates") and together with the Capitol Complex Project Certificates and the Casa Grande Project Certificates, the "Certificates" or the "Series 2023 Certificates") are being issued to refinance a portion of the cost of the acquisition and construction of the State's Nevada State University Project, as more fully described herein.

The Series 2023 Certificates may be purchased in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. See "Appendix D—BOOK-ENTRY SYSTEM" in Part I of this Official Statement.

The Capitol Complex Project Certificates and the Casa Grande Project Certificates are not subject to optional prepayment prior to maturity or mandatory sinking fund prepayment. The Nevada State University Project Certificates or portions thereof will be subject to optional prepayment prior to maturity as set forth herein. A bidder may request that the Nevada State University Project Certificates maturing on or after the dates set forth in the Official Notice of Certificate Sale referred to below be included in one or more term bonds and be subject to mandatory sinking fund prepayment, subject to the terms and conditions set forth under the heading ["Mandatory Sinking Fund Prepayment"] in the "OFFICIAL NOTICE OF CERTIFICATE SALE" referred to below.

The Series 2023 Certificates are secured by separate Trust Estates established under separate Indentures of Trust (each an "Indenture"), each between the Nevada Real Property Corporation, a not-for-profit corporation established by State law (the "Corporation") and a bank or trust company acting as trustee (the "Trustee"). U.S. Bank Trust Company, National Association is the Trustee with respect to each Series of Certificates. With respect to each of the projects refinanced with the proceeds of a Series of Certificates, the Corporation has entered into a Ground Lease (each a "Ground Lease") with respect to the real property on which the applicable project is located, between the State or the Nevada System of Higher Education, as applicable, as lessor, and the Corporation, as lessee. Each project will be sub-leased back from the Corporation, as lessor, to the State, as lessee pursuant to a Lease Purchase Agreement (each a "Lease Purchase Agreement").

Under each Lease Purchase Agreement, the State will be obligated to make payments of Base Rent more fully described herein, together with certain Additional Rent, if applicable. Base Rent will have a principal component and an interest component as described herein. The Certificates of a Series evidence undivided interests in the right to receive the Base Rent described herein that are applicable to Certificates of such Series and only such Series, and are secured by and payable solely from those sources and the Trust Estate described herein. The State's obligation to pay Base Rent and to make other payments under each Lease Purchase Agreement is subject to appropriation by the State, and the Series 2023 Certificates are not general obligations of the State of Nevada and are not backed by the faith and credit or the taxing power of the State. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

With respect to each Series of Series 2023 Certificates, the Corporation has assigned and pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee (including the right to receive payments of Base Rent and other payments under the applicable Lease Purchase Agreement) as part of the Trust Estate for the applicable Series of Series 2023 Certificates.

The Series 2023 Certificates will be sold in a competitive sale on [____], 2023. Prices and yields will be set by the successful bidder. The "OFFICIAL NOTICE OF CERTIFICATE SALE" is included as Appendix E to Part I of this Official Statement.

For maturity dates, principal amounts, interest payment dates, interest rates, yields and CUSIP numbers of the Series 2023 Certificates, see the pages immediately following this cover page.

The Series 2023 Certificates are offered, subject to prior sale, when, as and if issued by the State and accepted by each of the successful bidders, and subject to the approval of legality and certain other legal matters by Sherman & Howard L.L.C., Special Counsel to the State for the Series 2023 Certificates. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, as Disclosure Counsel to the State. Certain legal matters will be passed upon for the Corporation by the State of Nevada Office of the Attorney General. The Series 2023 Certificates are expected to be available for book-entry delivery on or about [____], 2023.

This page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Official Statement Dated: [Month] __, 2023

* Preliminary, subject to change

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

[\$Principal]*
Lease Revenue Refunding
Certificates of Participation
(Capitol Complex Building 1 Project)
Series 2023

Base CUSIP†: _____

Maturity Date <u>(April 1)</u>	Principal <u>Amount*</u>	Interest <u>Rate</u>	<u>Price or Yield</u>	CUSIP† <u>Suffix</u>
2024	\$[_____]			
2025				
2026				
2027				
2028				
2029				
2030				
2031				

The interest portion of Base Rent payable under the Lease Purchase Agreement with respect to the Capitol Complex Project Certificates is payable on each April 1 and October 1, commencing April 1, 2024.

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the State, the purchaser or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or the procurement of secondary market portfolio insurance or other similar enhancement by investors.

[\$Principal]*
Lease Revenue Refunding
Certificates of Participation
(Casa Grande Project)
Series 2023

Base CUSIP[†]: _____

<u>Maturity Date</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or Yield</u>	<u>CUSIP[†]</u> <u>Suffix</u>
2024	\$[_____]			
2025				
2026				
2027				
2028				
2029				
2030				
2031				

The interest portion of Base Rent payable under the Lease Purchase Agreement with respect to the Casa Grande Project Certificates is payable on each April 1 and October 1, commencing April 1, 2024.

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the State, the purchaser or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or the procurement of secondary market portfolio insurance or other similar enhancement by investors.

[\$Principal]*
Lease Revenue Refunding
Certificates of Participation
(Nevada State University Project)
Series 2023

Base CUSIP†: _____

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u> <u>Suffix</u>
2024	\$[_____]			
2025				
2026				
2027				
2028				
2029				
2030				
2031				
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2042				
2043				

The interest portion of Base Rent payable under the Lease Purchase Agreement with respect to the Casa Grande Project Certificates is payable on each June 1 and December 1, commencing June 1, 2024.

* Preliminary, subject to change.

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No dealer, broker, salesperson or other person has been authorized by the State of Nevada (the “State”) to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the State or the successful bidders for the Series 2023 Certificates. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2023 Certificates by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Any information, estimates and expressions of opinion herein are subject to change without notice; and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the State since the date hereof.

The information set forth herein has been furnished by the State and includes information obtained from other sources. Such other sources are believed to be reliable, but the information derived from such sources is not guaranteed as to accuracy or completeness. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other person.

This Preliminary Official Statement has been “deemed final” as of its date by the State, except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Certificates depending on such matters, in accordance with Rule 15c2-12(b)(i) under the Securities Exchange Act of 1934, as amended.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend” and “believe” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the State’s financial results could cause actual results to differ materially from those stated in the forward-looking statements. The presentation of information, including tables of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the State. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the Series 2023 Certificates. Any references to any website mentioned in this Official Statement are not hyperlinks and this Official Statement does not incorporate such websites by reference. The Corporation and the State, including the various State agencies and departments, maintain various websites. However, the information presented on such websites is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2023 Certificates.

In connection with this offering the successful bidders may over allot or effect transactions that stabilize or maintain the market prices of the Series 2023 Certificates offered hereby at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

THESE SERIES 2023 CERTIFICATES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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SUMMARY

This summary is not a complete description of the Series 2023 Certificates and does not contain all of the information you should consider before making any investment decision with respect to the Series 2023 Certificates. Prospective purchasers of Series 2023 Certificates should read the more detailed information appearing in this Official Statement for a complete understanding about the offering and the terms of, security for, and sources of payment for the Series 2023 Certificates.

THE SERIES 2023 CERTIFICATES

Series 2023 Certificates Offered State of Nevada Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023A (the “Capitol Complex Project Certificates”)

State of Nevada Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023B (the “Casa Grande Project Certificates”)

State of Nevada Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023C (the “Nevada State University Project Certificates” and together with the Capitol Complex Project Certificates and the Casa Grande Project Certificates, the “Certificates” or the “Series 2023 Certificates”)

Interest Payment Dates Capitol Complex Project Certificates and Casa Grande Project Certificates

April 1 and October 1, commencing on April 1, 2024

Nevada State University Project Certificates

June 1 and December 1, commencing June 1, 2024

Prepayment Provisions..... Optional Prepayment

Capitol Complex Project Certificates

The Capitol Complex Project Certificates are not subject to optional prepayment prior to maturity.

Casa Grande Project Certificates

The Casa Grande Project Certificates are not subject to optional prepayment prior to maturity.

Nevada State University Project Certificates

The Nevada State University Project Certificates shall be subject to prepayment, in whole or in part from such maturities as are selected by the State Representative on behalf of the State or the Nevada System of Higher Education (“NSHE”) and by lot within a maturity, on any date on and after December 1, 2033, in the event of, and to the extent that sufficient moneys to make such prepayment (or defeasance securities which, without reinvestment, will generate sufficient moneys to make such prepayment) are actually received by the Nevada State University Project Certificates Trustee (as defined below) from the State for such purpose together with directions by the State to apply such moneys to such prepayment, at a prepayment price equal to the principal amount of the Nevada State University Project Certificates called for prepayment and accrued interest to the prepayment date (without any premium).

Mandatory Sinking Fund Prepayment

Capitol Complex Project Certificates

The Capitol Complex Project Certificates are not subject to mandatory sinking fund prepayment prior to maturity.

Casa Grande Project Certificates

The Casa Grande Project Certificates are not subject to mandatory sinking fund prepayment prior to maturity.

The Nevada State University Project Certificates

The Nevada State University Project Certificates maturing June 1, ____ are subject to mandatory sinking fund prepayment at a price equal to the principal amount thereof plus accrued interest to the prepayment date as described below. The Nevada State University Project Certificates of maturity subject to mandatory sinking fund prepayment which are to be prepaid shall be selected by lot in such manner as the Nevada State University Project Certificates Trustee shall determine.

The following principal amounts of the Nevada State University Project Certificates maturing June 1, ____, shall be subject to mandatory sinking fund prepayment (after credit as provided below) on the following dates:

Nevada State University Project Certificates Due June 1, 20__

Sinking Fund

Payment Date

(June 1)

Principal Amount to be

Prepaid

\$

The remaining \$_____ of the Nevada State University Project Certificates maturing June 1, ____ shall be paid upon presentation and surrender at maturity unless prepaid prior to maturity.

On or before the thirtieth day prior to each such sinking fund payment date, the Trustee shall proceed to call the Nevada State University Project Certificates indicated above for prepayment from the sinking fund on the next June 1, and give notice of such call without other instruction or notice from the State or the Nevada Real Property Corporation, a not-for-profit corporation established by State law (the "Corporation"). The amount of each sinking fund installment may be reduced by the principal amount of any Nevada State University Project Certificates of the maturity which is subject to sinking fund prepayment on such date and which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) or otherwise canceled and not therefore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the State.

Prepayment in Whole Upon an Event of Nonappropriation or Event of Default under the Lease Purchase Agreement

In the event of the occurrence of an Event of Nonappropriation under a Lease Purchase

Agreement or the occurrence and continuation of an Event of Default under a Lease Purchase Agreement, the applicable Series 2023 Certificates shall be prepayable in whole, on any date, at a prepayment price determined as set forth below:

The prepayment price shall be the lesser of (i) the principal amount of the applicable Series 2023 Certificates, plus accrued interest to the prepayment date (without any premium); or (ii) the sum of (A) the amount, if any, received by the applicable Series 2023 Certificates Trustee or the Corporation from the exercise of remedies under the applicable Lease Purchase Agreement with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such prepayment and (B) the other amounts available in the Trust Estate for payment of the prepayment price of the applicable Series 2023 Certificates, which amounts shall be allocated among the applicable Series 2023 Certificates in proportion to the principal amount of each Series 2023 Certificate. Notwithstanding any other provision of the Indenture, the payment of the prepayment price of any Series 2023 Certificate as set for the reasons set forth above shall be deemed to be the payment in full of such Series 2023 Certificate and no Owner of any Series 2023 Certificate prepaid as set forth under this subsection shall have any right to any payment from the Corporation, the applicable Series 2023 Certificates Trustee or the State in excess of such prepayment price.

PURPOSE

Purpose The Capitol Complex Project Certificates are being issued to refinance a portion of the cost of the acquisition and construction of the State’s Capitol Complex Building 1 Project, as more fully described herein.

The Casa Grande Project Certificates are being issued to refinance a portion of the cost of the acquisition and construction of the State’s Casa Grande Project, as more fully described herein.

The Nevada State University Project Certificates are being issued to refinance the costs of certain buildings and facilities for Nevada State University, formerly Nevada State College, as more fully described herein.

SECURITY FOR THE SERIES 2023 CERTIFICATES

Special Obligation of the State..... The Series 2023 Certificates are secured by separate Trust Estates established under separate Indentures of Trust (each an “Indenture”), each between the Corporation and a bank or trust company acting as trustee (the “Trustee”). U.S. Bank Trust Company, National Association is the Trustee for each Series of Certificates. With respect to each of the projects refinanced with the proceeds of a Series of Certificates, the Corporation, as ground lessee, has entered into a Ground Lease (each a “Ground Lease”) with respect to the real property on which the applicable project is located, with the State or NSHE, as applicable, as ground lessor. Each project will be sub-leased back from the Corporation, as lessor, to the State, as lessee pursuant to a Lease Purchase Agreement (each a “Lease Purchase Agreement”).

Under each Lease Purchase Agreement, the State will be obligated to make payments of Base Rent more fully described herein, together with certain Additional Rent, if applicable. Base Rent will have a principal component and an interest component as described herein. The Certificates of a Series evidence undivided interests in the right to receive the Base Rent described herein that are applicable to Certificates of such Series and only such Series, and are secured by and payable solely from those sources and the Trust Estate described herein. The State’s obligation to pay Base Rent and to make other payments under each Lease

Purchase Agreement is subject to appropriation by the State, and the Series 2023 Certificates are not general obligations of the State of Nevada and are not backed by the faith and credit or the taxing power of the State.

With respect to each Series of Certificates, the Corporation has assigned and pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee for the applicable Series of Certificates (including the right to receive payments of Base Rent and other payments under the applicable Lease Purchase Agreement) as part of the Trust Estate for the applicable Series of Certificates.

See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES” in Part I of this Official Statement for additional information.

**OFFICIAL STATEMENT
OF THE STATE OF NEVADA
RELATING TO THE ISSUE AND SALE OF
\$[PRINCIPAL]*
LEASE REVENUE REFUNDING
CERTIFICATES OF PARTICIPATION**

\$[Principal]*
(Capitol Complex
Building 1 Project)
Series 2023A

\$[Principal]*
(Casa Grande Project)
Series 2023B

\$[Principal]*
(Nevada State University Project)
Series 2023C

Each Series of Certificates of Participation Evidences Undivided Interests in the Right to Receive
Base Rent Under a Separate Lease Purchase Agreement to be Paid by the

STATE OF NEVADA

INTRODUCTION

General

This Official Statement of the State of Nevada (the “State”), including the cover pages, inside cover pages, schedules, appendices and attachments, is provided for the purpose of setting forth information in connection with the sale of the certificates listed above (by series, referred to herein as the “Capitol Complex Project Certificates,” the “Casa Grande Project Certificates” and the “Nevada State University Project Certificates,” and in the aggregate as the “Series 2023 Certificates” or the “Certificates”).

The Certificates will be sold in a competitive sale on [___], 2023, and will mature on the dates and in the principal amounts, and bear interest at the rates, set forth in the pages immediately following the cover page of this Official Statement.

This Official Statement consists of the cover pages and all prefatory material prior to this introduction, this introduction, Part I (including all Schedules and Appendices thereto), and Part II (including all Appendices and Attachments thereto).

Part I – Information Concerning the Series 2023 Certificates Being Offered

Part I sets forth information concerning the Series 2023 Certificates, including the payment and prepayment provisions, the basis of their authorization and their purposes, the security for the Series 2023 Certificates, a description of the events of default, remedies, amendments and discharge provisions applicable to the Series 2023 Certificates, the federal income tax treatment of the interest on the Series 2023 Certificates, and certain other matters.

* Preliminary, subject to change.

Part II – Information Concerning the State of Nevada

Part II sets forth certain information relating to the State, including constitutional and statutory authorizations of general obligation debt and applicable debt limitations, information related to general obligation bonds currently issued and outstanding, as well as general obligation bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information. Part II also includes as appendices (i) the Annual Comprehensive Financial Report of the State for FY 2022 (excluding the Introductory Section and Statistical Section), (ii) History of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2018, 2019, 2020, 2021, and 2022, and (iii) the May 1, 2023 Economic Forum Forecast for the 2023-2025 biennium, after adjustments for actions approved by the Legislature during the 2023 Session (82nd Session) and the 35th Special Session (June 2023). The State's fiscal year (referred to herein as "FY") is the 12-month period ending on June 30.

Federal and State Tax Exemption

In the opinion of Sherman & Howard L.L.C., Special Counsel, assuming continuous compliance with certain covenants described herein, interest on the Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), and interest on the Certificates is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. See "TAX MATTERS—Federal Tax Matters" in Part I of this Official Statement.

In the opinion of Special Counsel, the Certificates, their transfer, and the income therefrom are 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 the NRS. See "TAX MATTERS—State Tax Exemption" in Part I of this Official Statement.

Investment Considerations

The State's ability to pay Base Rent more fully described herein, together with certain Additional Rent, if applicable depends upon numerous factors, many of which are not subject to the control of the State. Certain factors that could materially adversely affect the ability of the State to pay Base Rent and Additional Rent, if applicable, are described under "INVESTMENT CONSIDERATIONS" in Part I of this Official Statement.

Miscellaneous

Potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the State, the Corporation, the Series 2023 Certificates, the Ground Leases, the Lease Purchase Agreements, the Trust Indentures and State statutes are included in this Official Statement. All references herein to the Series 2023 Certificates and documents and State statutes referred to herein are qualified in their entirety by reference to such Series 2023 Certificates, documents and State statutes.

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the purchasers or subsequent owners of the Series 2023 Certificates.

The summaries of certain provisions of the Certificates, the Nevada statutes, the Ground Leases, the Lease Purchase Agreements, the Trust Indentures, and other documents referred to in this Official Statement do not

purport to be complete and reference is made to each of them for a complete statement of their provisions. The term “NRS” used herein refers to the Nevada Revised Statutes.

A wide variety of other information, including financial information, concerning the State is available from State agencies, State agency publications and State agency websites. No such information is a part of or incorporated into this Official Statement.

Capitalized terms used but not defined in the body of this Part I have the meaning set forth in Appendix A to this Part I.

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PART I
INFORMATION CONCERNING THE SERIES 2023 CERTIFICATES
DESCRIPTION OF THE CERTIFICATES

General

Each of the Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2023 (the “Capitol Complex Project Certificates”), the Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2023 (the “Casa Grande Project Certificates”), and the Lease Revenue Refunding Certificates of Participation (Nevada State University Project) Series 2023 (the “Nevada State University Project Certificates” and, together with the Capitol Complex Project Certificates and the Casa Grande Project Certificates, the “Series 2023 Certificates” or the “Certificates” and each a “Series of Certificates”) will be dated their date of delivery and will mature on the dates and in the principal amounts set forth on the pages immediately following the cover page of this Official Statement.

The Series 2023 Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the Series 2023 Certificates. Beneficial interests in the Series 2023 Certificates may be purchased in book-entry form only, in denominations of \$5,000 or any integral multiple thereof (“Authorized Denominations”). Purchasers of Series 2023 Certificates will not receive certificates representing their ownership interest in the Series 2023 Certificates purchased. The record date for the payment of interest on the Series 2023 Certificates (the “Regular Record Date”) is the close of business on the 15th day of the calendar month immediately preceding the month in which an interest payment date occurs.

Interest on the Capitol Complex Project Certificates will be paid by U.S. Bank Trust Company, National Association (the “Capitol Complex Project Certificates Trustee”), as trustee, paying agent and registrar appointed pursuant to an Indenture of Trust dated as of [November 1, 2023] (the “Capitol Complex Project Certificates Indenture”) between the Nevada Real Property Corporation (the “Corporation”) and the Capitol Complex Project Certificates Trustee and pursuant to which the Capitol Complex Project Certificates will be issued.

Interest on the Casa Grande Project Certificates will be paid by U.S. Bank Trust Company, National Association (the “Casa Grande Project Certificates Trustee”), as trustee, paying agent and registrar appointed pursuant to an Indenture of Trust dated as of [November 1, 2023] (the “Casa Grande Project Certificates Indenture”) between the Corporation and the Casa Grande Project Certificates Trustee and pursuant to which the Casa Grande Project Certificates will be issued.

Interest on the Nevada State University Project Certificates will be paid by U.S. Bank Trust Company, National Association (the “Nevada State University Project Certificates Trustee”), as trustee, paying agent and registrar appointed pursuant to an Indenture of Trust dated as of [November 1, 2023] (the “Nevada State University Project Certificates Indenture”) between the Corporation and the Nevada State University Project Certificates Trustee and pursuant to which the Nevada State University Project Certificates will be issued.

Each of the Capitol Complex Project Certificates Indenture, the Casa Grande Project Certificates Indenture and the Nevada State University Project Certificates Indenture is referred to herein as an “Indenture” and collectively they are referred to as the “Indentures.” Each of the Capitol Complex Project Certificates Trustee, the Casa Grande Project Certificates Trustee and the Nevada State University Project Certificates Trustee is referred to herein as a “Trustee” and collectively they are referred to as the “Trustees.”

Interest on each Series of Certificates will be paid on the interest payment date for the applicable Series of Certificates (or if such day is not a business day, on the next succeeding business day) to DTC or its nominee as registered owner of the applicable Series of Certificates. Disbursement of interest, principal and redemption payments is the responsibility of DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the applicable Series of Certificates, references in this Official Statement to the registered owners of such Series of

Certificates will mean Cede & Co., and will not mean the beneficial owners. See “Appendix D—BOOK-ENTRY SYSTEM” in Part I of this Official Statement.

The Certificates

The Capitol Complex Project Certificates will be issued pursuant to the Capitol Complex Project Certificates Indenture. The Capitol Complex Project Certificates evidence undivided interests in Base Rent described herein that is payable by the State under a Lease Purchase Agreement entered into between the Corporation, as lessor and the State, acting by and through the Division of State Lands (“State Lands”) of the Department of Conservation and Natural Resources (“CNR”) on behalf of CNR, as lessee (the “Capitol Complex Project Lease Purchase Agreement”) with respect to the Capitol Complex Project, as defined and more fully described herein.

The Casa Grande Project Certificates will be issued pursuant to the Casa Grande Project Certificates Indenture. The Casa Grande Project Certificates evidence undivided interests in Base Rent described herein that is payable by the State under a Lease Purchase Agreement entered into between the Corporation, as lessor and the State, acting by and through State Lands on behalf of the Department of Corrections (“NDC”), as lessee (the “Casa Grande Project Lease Purchase Agreement”) with respect to the Casa Grande Project, as defined and more fully described herein.

The Nevada State University Project Certificates will be issued pursuant to the Nevada State University Project Certificates Indenture. The Nevada State University Project Certificates evidence undivided interests in Base Rent that is payable by the State under a Lease Purchase Agreement entered into between the Corporation, as lessor and the State, acting by and through the Nevada System of Higher Education (“NSHE”), as lessee (the “Nevada State University Project Lease Purchase Agreement”) with respect to the Nevada State University Project, as defined and more fully described herein.

The Capitol Complex Project Lease Purchase Agreement, the Casa Grande Project Lease Purchase Agreement and the Nevada State University Project Lease Purchase Agreement are referred to herein as the “Lease Purchase Agreements.” The Base Rent applicable under each Lease Purchase Agreement is referred to herein as the Base Rent and is more fully described under the heading “DESCRIPTION OF THE CERTIFICATES - Schedule of Base Rent Payments” in this Part I.

The State’s obligation to pay Base Rent and make other payments under each Lease Purchase Agreement is subject to appropriation by the State, and the Series 2023 Certificates are not general obligations of the State of Nevada and are not backed by the faith and credit or the taxing power of the State. See “DESCRIPTION OF THE CERTIFICATES - Security for the Certificates” and “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - Base Rent and Certificate Payments Are Not General Obligations of the State.”

Authorization for and Purpose of the Series 2023 Certificates

Each Series of Certificates is being issued pursuant to the Constitution, applicable laws of the State (including Sections 353.500 to 353.630 of NRS, various State resolutions, orders, and proceedings, a resolution adopted by the Corporation, and the applicable Indenture). Each Series of Certificates is being issued pursuant to a separate Indenture, each with its own Trustee, and each of which is secured by a Trust Estate that is unique for that Series of Certificates and is not shared with or available for any other Series of Certificates.

The Capitol Complex Project Certificates are being issued to refund the outstanding balance of the State’s Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2013 described in Schedule I to Part I of this Official Statement (the “Refunded Capitol Complex Project Certificates”). The Refunded Capitol Complex Project Certificates were issued to refinance a portion of the cost of the Capitol Complex Project. For a description of the Capitol Complex Project see “THE REFUNDED PROJECTS – The Capitol Complex Project.”

The Casa Grande Project Certificates are being issued to refund the State's Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2013 described in Schedule I to Part I of this Official Statement (the "Refunded Casa Grande Project Certificates"). The Refunded Casa Grande Project Certificates were issued to refinance a portion of the cost of the Casa Grande Project. For a description of the Casa Grande Project see "THE REFUNDED PROJECTS - The Casa Grande Project."

The Nevada State University Project Certificates are being issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation (Nevada State College Project) Series 2013 described in Schedule I to Part I of this Official Statement (the "Refunded Nevada State College Project Certificates" and together with the Refunded Capitol Complex Project Certificates and the Refunded Casa Grande Project Certificates, the "Refunded Certificates"). The Refunded Nevada State College Project Certificates were issued to finance a portion of the cost of Nevada State University Project. For a description of the Nevada State University Project see "THE REFUNDED PROJECTS - The Nevada State University Project."

Security for the Certificates

Each Series of Certificates evidences undivided interests in the Base Rent payable under the Lease Purchase Agreement with respect to which such Series of Certificates are issued. Each Series of Certificates is secured by and payable solely by the Trust Estate pledged as security for such Series of Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES — The Trust Estates." The Certificates are not general obligations of the State of Nevada and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay Base Rent and make other payments to the Trustee under the Lease Purchase Agreements is subject to appropriation by the State. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES — Budgeting for State Rental Payments." In the event that the State does not make a sufficient appropriation with respect to a Lease Purchase Agreement (an "Event of Nonappropriation"), that Lease Purchase Agreement (but not the other Lease Purchase Agreements with respect to which an appropriation has been made) will terminate, and there can be no assurance that funds held by the Trustee and the proceeds from any reletting or other use of the applicable Project will be sufficient to pay principal and interest on the applicable Series of Certificates. For a description of when an "Event of Nonappropriation" has occurred, and other information relating to the security for the Certificates, see "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES — Termination of Lease Purchase Agreement Upon Event of Nonappropriation."

Prepayment

Capitol Complex Project Certificates

No Optional Prepayment. The Capitol Complex Project Certificates are not subject to optional prepayment prior to maturity.

Prepayment in Whole Upon an Event of Nonappropriation or Event of Default under the Lease Purchase Agreement. In the event of the occurrence of an Event of Nonappropriation under the Capitol Complex Project Lease Purchase Agreement or the occurrence and continuation of an Event of Default under the Capitol Complex Project Lease Purchase Agreement, the Capitol Complex Project Certificates shall be prepayable in whole, on any date, at a prepayment price determined as set forth below:

The prepayment price shall be the lesser of (i) the principal amount of the Capitol Complex Project Certificates, plus accrued interest to the prepayment date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Capitol Complex Project Certificates Trustee or the Corporation from the exercise of remedies under the Capitol Complex Lease Purchase Agreement with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such prepayment and (B) the other amounts available in the Trust Estate for payment of the prepayment price of the Capitol Complex Project Certificates, which amounts shall be allocated among the Capitol Complex Project Certificates in proportion to the principal amount of each Capitol Complex Project Certificate. Notwithstanding any other provision of the Capitol Complex Project Indenture, the payment of the prepayment price of any Capitol Complex Project Certificate as set for the reasons set forth above shall be deemed to be the payment in full of such Capitol Complex Project Certificate and no Owner of

any Capitol Complex Project Certificate prepaid as set forth under this subheading shall have any right to any payment from the Corporation, the Capitol Complex Project Certificates Trustee or the State in excess of such prepayment price.

Casa Grande Project Certificates

No Optional Prepayment. The Casa Grande Project Certificates are not subject to optional prepayment prior to maturity.

Prepayment in Whole Upon an Event of Nonappropriation or Event of Default under the Lease Purchase Agreement. In the event of the occurrence of an Event of Nonappropriation under the Casa Grande Project Lease Purchase Agreement or the occurrence and continuation of an Event of Default under the Casa Grande Project Lease Purchase Agreement, the Casa Grande Project Certificates shall be prepayable in whole, on any date, at a prepayment price determined as set forth below:

The prepayment price shall be the lesser of (i) the principal amount of the Casa Grande Project Certificates, plus accrued interest to the prepayment date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Casa Grande Project Certificates Trustee or the Corporation from the exercise of remedies under the Casa Grande Lease Purchase Agreement with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such prepayment and (B) the other amounts available in the Trust Estate for payment of the prepayment price of the Casa Grande Project Certificates, which amounts shall be allocated among the Casa Grande Project Certificates in proportion to the principal amount of each Casa Grande Project Certificate. Notwithstanding any other provision of the Casa Grande Project Indenture, the payment of the prepayment price of any Casa Grande Project Certificate as set for the reasons set forth above shall be deemed to be the payment in full of such Casa Grande Project Certificate and no Owner of any Casa Grande Project Certificate prepaid as set forth under this subheading shall have any right to any payment from the Corporation, the Casa Grande Project Certificates Trustee or the State in excess of such prepayment price.

Nevada State University Project Certificates

Optional Prepayment. The Nevada State University Project Certificates shall be subject to prepayment, in whole or in part from such maturities as are selected by a State Representative on behalf of the State or NSHE and by lot within a maturity, on any date on and after December 1, 2033, in the event of, and to the extent that sufficient moneys to make such prepayment (or defeasance securities which, without reinvestment, will generate sufficient moneys to make such prepayment) are actually received by the Nevada State University Project Certificates Trustee from the State for such purpose together with directions by the State to apply such moneys to such prepayment, at a prepayment price equal to the principal amount of the Nevada State University Project Certificates called for prepayment and accrued interest to the prepayment date.

Mandatory Sinking Fund Prepayment. The Nevada State University Project Certificates maturing June 1, _____ are subject to mandatory sinking fund prepayment at a price equal to the principal amount thereof plus accrued interest to the prepayment date as described below. The Nevada State University Project Certificates of maturity subject to mandatory sinking fund prepayment which are to be prepaid shall be selected by lot in such manner as the Nevada State University Project Certificates Trustee shall determine.

The following principal amounts of the Nevada State University Project Certificates maturing June 1, _____, shall be subject to mandatory sinking fund prepayment (after credit as provided below) on the following dates:

Nevada State University Project Certificates Due [June 1], _____	
Sinking Fund Payment Date (June 1)	Principal Amount to be Prepaid
_____	_____

The remaining \$_____ of the Nevada State University Project Certificates maturing June 1, ____ shall be paid upon presentation and surrender at maturity unless prepaid prior to maturity.

On or before the thirtieth day prior to each such sinking fund payment date, the Nevada State University Project Certificate Trustee shall proceed to call the Nevada State University Project Certificates indicated above for prepayment from the sinking fund on the next June 1, and give notice of such call without other instruction or notice from the State or the Corporation. The amount of each sinking fund installment may be reduced by the principal amount of any Nevada State University Project Certificates of the maturity which is subject to sinking fund prepayment on such date and which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) or otherwise canceled and not therefore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the State.

Prepayment in Whole Upon an Event of Nonappropriation or Event of Default under the Lease Purchase Agreement. In the event of the occurrence of an Event of Nonappropriation under the Nevada State University Project Lease Purchase Agreement or the occurrence and continuation of an Event of Default under the Nevada State University Project Lease Purchase Agreement, the Nevada State University Project Certificates shall be prepayable in whole, on any date, at a prepayment price determined as set forth below:

The prepayment price shall be the lesser of (i) the principal amount of the Nevada State University Project Certificates, plus accrued interest to the prepayment date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Nevada State University Project Certificates Trustee or the Corporation from the exercise of remedies under the Nevada State University Lease Purchase Agreement with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such prepayment and (B) the other amounts available in the Trust Estate for payment of the prepayment price of the Nevada State University Project Certificates, which amounts shall be allocated among the Nevada State University Project Certificates in proportion to the principal amount of each Nevada State University Project Certificate. Notwithstanding any other provision of the Nevada State University Project Indenture, the payment of the prepayment price of any Nevada State University Project Certificate as set for the reasons set forth above shall be deemed to be the payment in full of such Nevada State University Project Certificate and no Owner of any Nevada State University Project Certificate prepaid as set forth under this subheading shall have any right to any payment from the Corporation, the Nevada State University Project Certificates Trustee or the State in excess of such prepayment price.

Notice of Prepayment

Notice of the call for any prepayment, identifying the Certificates or portions thereof to be prepaid and the prepayment date and stating that on the prepayment date, the principal amount of the Certificates to be repaid and accrued interest and premium, if any, thereon will become due and payable at the principal office of the applicable Trustee, or such other office as may be designated by such Trustee, and that after the prepayment date, no further interest will accrue on the principal of the Certificates called for prepayment, shall be given by such Trustee electronically or otherwise, at least 20 days and not more than 60 days prior to the date fixed for prepayment to the Owner of each Certificate to be prepaid at the address shown on the registration books, to the Municipal Securities Rulemaking Board ("MSRB"); provided, however, that failure to give such notice to the MSRB or any Owner, or any defect therein, shall not affect the validity of any proceedings with respect to any Certificates to whose Owner a notice was given.

Any notice given as provided above shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

If at the time of giving the notice of prepayment, there shall not have been deposited with the Trustee moneys sufficient to prepay all the Certificates called for prepayment, which moneys are or will be available for prepayment of Certificates, such notice will state that it is conditional upon the deposit of the prepayment moneys

with the Trustee not later than the opening of business on the prepayment date, and such notice shall be of no effect unless such moneys are so deposited.

Plan of Refunding

A portion of the proceeds of the sale of the Capitol Complex Project Certificates [and other lawfully available moneys] will be used to refund the Refunded Capitol Complex Project Certificates described in Schedule I to Part I of this Official Statement on the date of delivery of the Capitol Complex Project Certificates.

A portion of the proceeds of the sale of the Casa Grande Project Certificates [and other lawfully available moneys] will be used to refund the Refunded Casa Grande Project Certificates described in Schedule I to Part I of this Official Statement on the date of delivery of the Casa Grande Project Certificates.

A portion of the proceeds of the sale of the Nevada State University Project Certificates [and other lawfully available moneys] will be set aside in an escrow account, established with the U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Bank”), in an amount sufficient, as verified by [insert Verification Agent name] to refund the Refunded Nevada State College Project Certificates described in Schedule I to Part I of this Official Statement on their maturity or first redemption dates. Amounts other than uninvested cash held by the Escrow Bank will be invested in Defeasance Securities as defined in Appendix A attached hereto. See “VERIFICATION AGENT” herein.

The tables in Schedule I to Part I of this Official Statement describe the maturity date, outstanding aggregate par amount, coupon, CUSIP number, maturity or redemption date and redemption price of the Refunded Certificates. The Refunded Certificates will be paid at maturity or on the redemption dates and at the redemption prices shown in the tables in Schedule I to Part I.

Sources and Uses of Funds

The sources and uses of the proceeds of the Series 2023 Certificates are as follows:

SOURCES	Capitol Complex Project	Casa Grande Project	Nevada State University Project
Principal Amount of Certificates	\$	\$	\$
Net Original Issue Premium/(Discount)			
[Debt Service Reserve Fund Contribution]			
[Cash Contribution]			
TOTAL SOURCES	\$	\$	\$
USES			
Refunding Escrow	\$	\$	\$
Redemption of Certificates			
Costs of Issuance ⁽¹⁾			
TOTAL USES	\$	\$	\$

⁽¹⁾ Represents underwriters’ discount, legal and financing fees, municipal advisory fees, printing costs, rating fees, and other miscellaneous expenses relating to the issuance of the Series 2023 Certificates.

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Schedule of Base Rent Payments

Set forth below are the schedules Base Rent payment requirements, assuming no prepayments, due under the Capitol Complex Project Lease Purchase Agreement, the Casa Grande Project Lease Purchase Agreement and the Nevada State University Project Lease Purchase Agreement.

Capitol Complex Project Lease Purchase Agreement

<u>Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Base Rent</u>
--------------------------------	---------------------------------------	--------------------------------------	-----------------------------------

TOTAL

\$ _____

\$ _____

\$ _____

Casa Grande Project Lease Purchase Agreement

<u>Payment</u> <u>Date</u>	<u>Principal</u> <u>Component</u>	<u>Interest</u> <u>Component</u>	<u>Total</u> <u>Base Rent</u>
TOTAL	\$	\$	\$

Nevada State University Project Lease Purchase Agreement

Payment <u>Date</u>	Principal <u>Component</u>	Interest <u>Component</u>	Total <u>Base Rent</u>
--------------------------------	---------------------------------------	--------------------------------------	-----------------------------------

TOTAL	\$ _____	\$ _____	\$ _____
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THE CORPORATION

The Corporation is a public not-for-profit corporation incorporated under Nevada law for the stated purpose of engaging in any lawful business activity benefiting the State or its investors, including without limitation developing, constructing, acquiring, leasing, renting, operating, assigning, selling or conveying real property or facilities in cooperation with the State and any trust indenture trustee.

Zachary B. Conine, the State Treasurer, serves ex officio as the President of the Corporation. The State Treasurer and other state officials serve as directors of the Corporation and do not profit in any way from their positions with the Corporation or receive compensation or expense reimbursement from the Corporation for their services as directors.

THE REFUNDED PROJECTS

The Capitol Complex Project

The Capitol Complex Project Certificates will be issued to refinance a project referred to as Capitol Complex Building 1 (the “Capitol Complex Project”). Construction of the Capitol Complex Project was initially financed in 2004 with proceeds of State of Nevada Lease Revenue Certificates of Participation (Capitol Complex Building 1) Series 2004, which were refunded with proceeds of the Refunded Capitol Complex Project Certificates. The Refunded Capitol Complex Project Certificates will be refunded with the proceeds of the Capitol Complex Project Certificates. See “DESCRIPTION OF THE CERTIFICATES—Plan of Refunding” herein. [The Capitol Complex Project comprised the construction of a five story office building of approximately 120,000 square feet with associated surface parking and landscaping. The principal office tenant of the Capitol Complex Project is the CNR, a State agency. Construction of the Capitol Complex Project was completed in August 2007. CNR had previously occupied office space at seven locations in Carson City. The Capitol Complex Project enabled CNR to consolidate several of its offices in a single, modern building located near the State capitol and other State government buildings at an annual occupancy cost that was comparable to its then-current aggregate occupancy cost at the seven prior locations. Other State agencies leasing space in the Capitol Complex Project include the Public Employees Benefit Program.]

The Casa Grande Project

The Casa Grande Project Certificates will be issued to refinance a project referred to as the “Casa Grande Project.” Construction of the Casa Grande Project was initially financed in 2004 with proceeds of State of Nevada Lease Revenue Certificates of Participation (Casa Grande Project) Series 2004B, which were refunded with proceeds of the Refunded Casa Grande Project Certificates. The Refunded Casa Grande Project Certificates described in Schedule I to Part I of this Official Statement will be refunded with the proceeds of the Casa Grande Project Certificates. See “DESCRIPTION OF THE CERTIFICATES—Plan of Refunding” herein. [The Casa Grande Project comprised the construction of a transitional residential facility for offenders within the State’s correctional system for use by the NDC. The Casa Grande Project is located in the southwest industrial area of Las Vegas. The site consists of approximately five acres with three buildings of approximately 82,400 square feet. Construction of the Casa Grande Project was completed in February 2006. The NDC releases over 5,000 offenders per year, a large portion of which return to Southern Nevada. The Casa Grande Project serves as a transitional residential facility for up to 400 residents at a time (for approximately eight to nine months each). All residents are low-risk offenders who are within 24 months of probable release and are expected to benefit from transitional assistance and re-entry support in a community-based residential facility. Offenders are required to attend education, vocation classes and/or full-time employment. Funds collected from employed offenders are used to offset the cost of their incarceration and pay back fines, restitution and child support. Two housing units for offenders, adjacent service facilities for dining, visiting and counseling, and group rooms for classes and other release preparations are located on the property. The grounds include outdoor exercise and recreational areas. The Casa Grande Project is a gated community that also provides office space for the Director, Deputy Directors, Prison Industries, Human Resources, Inspector General, Chief Engineer and Pharmacy.]

The Nevada State University Project

The Nevada State University Certificates will be issued to refinance the costs of certain buildings and facilities for Nevada State University, formerly Nevada State College (the “Nevada State University Project”). The Nevada State University Project was initially financed with proceeds of the Refunded Nevada State College Project Certificates. The Refunded Nevada State College Project Certificates described in Schedule I to Part I of this Official Statement will be refunded with the proceeds of the Nevada State University Project Certificates. See “DESCRIPTION OF THE CERTIFICATES—Plan of Refunding” herein. The Nevada State University Project comprised the construction of two new buildings on the principal campus of Nevada State University located in Henderson, Nevada. The first building is an approximately 60,000 square foot nursing/science/education facility, now known as the Bob and Alison Kasner Academic Building, which consists of classroom, educational laboratories, study space and faculty offices. The second building is an approximately 60,000 square foot student activities/administration facility, now known as the James E. and Beverly Rogers Student Center, which houses student government, food services, a bookstore, a library/learning commons, student activity space and administrative offices. The Nevada State University Project also includes associated site and access improvements. The Nevada State University Project replaced approximately 52,000 square feet of facilities formerly leased by Nevada State University. The Nevada State University Project consolidated all instructional and administrative functions of the Nevada State University into a single campus site. Nevada State University is a component of NSHE, currently serving a student population of approximately 7,200. Nevada State University’s student enrollment has increased 45.7% over the last five years. The Nevada State University Project was completed in 2015 at a cost of \$46.7 million.

The Nevada State University Project is situated upon land owned by the NSHE, a political subdivision of the State governed by 13 geographically elected regents and leased to the Corporation pursuant to the Nevada State University Ground Lease. For a summary of the terms of the ground lease, see “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES -The Ground Leases - *Nevada State University Project*.”

SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Certificates Represent Undivided Interest in Base Rent

The Capitol Complex Project Certificates represent evidence of an undivided interest in the Base Rent payable under the Capitol Complex Project Lease Purchase Agreement.

The Casa Grande Project Certificates represent evidence of an undivided interest in the Base Rent payable under the Casa Grande Project Lease Purchase Agreement.

The Nevada State University Project Certificates represent evidence of an undivided interest in the Base Rent payable under the Nevada State University Project Lease Purchase Agreement.

Each Series of Certificates is issued under a separate Indenture, has a separate Trustee, and is secured by a separate Trust Estate.

The Trust Estates

Each Indenture establishes a Trust Estate securing the Certificates issued pursuant to that Indenture. The Trust Estate established pursuant to each Indenture is, with respect to the Certificates issued pursuant to that Indenture, as follows:

- (a) the Leased Property and the tenements, hereditaments, appurtenance, rights, privileges, and immunities thereto belonging or appertaining, subject to the terms of the applicable Lease Purchase Agreement including, but not limited to, the terms of the applicable Lease Purchase Agreement permitting the existence of the Permitted Encumbrances (as defined in the applicable Lease Purchase Agreement);

- (b) all rights, title and interest of the Corporation in, to and under the applicable Ground Lease;
- (c) all rights, title and interest of the Corporation in, to and under the applicable Lease Purchase Agreement, other than the rights, title and interest of the Corporation with respect to certain payments or reimbursement to the Corporation thereunder for its costs, fees and expenses;
- (d) all Base Rent and Additional Rent (defined in the applicable Lease Purchase Agreement);
- (e) the purchase price specified in the applicable Lease Purchase Agreement; and
- (f) all moneys and securities from time to time held by the Trustee under the applicable Indenture in the Debt Service Fund, the Reserve Fund and any and all other real or personal property of every name and nature from time to time specially mortgaged, pledged, or hypothecated, as and for additional security under the applicable Indenture.

Base Rent and Certificate Payments are not General Obligations of the State

The Series 2023 Certificates and the State's obligation to pay Base Rent under the Lease Purchase Agreements are not general obligations of the State of Nevada and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay Base Rent and make other payments to the Trustees under the Lease Purchase Agreements is subject to appropriation by the State. In the event that the State does not make a sufficient appropriation with respect to a Lease Purchase Agreement (an "Event of Nonappropriation"), that Lease Purchase Agreement (but not the other Lease Purchase Agreements with respect to which an appropriation has been made) will terminate, and there can be no assurance that funds held by the Trustee and the proceeds from any reletting or other use of the applicable Project will be sufficient to pay principal and interest on the applicable Series of Certificates.

Termination of Lease Purchase Agreement Upon Event of Nonappropriation

A Lease Purchase Agreement will terminate if the State fails to appropriate funds sufficient to make payments under such Lease Purchase Agreement during a Fiscal Year. A failure to appropriate generally means that (A) there is a failure of the legislature to appropriate money to NSHE for Nevada State University (with respect to the Nevada State University Project), to CNR (with respect to the Capitol Complex Project) or to NDC (with respect to the Casa Grande Project) in an amount at least equal to payments due pursuant to the applicable Lease Purchase Agreement or (B) the legislature by express terms of a statute provides that, of the funds appropriated to the foregoing entities or departments, as applicable, no amount or an insufficient amount is available for payments due pursuant to the applicable Lease Purchase Agreement. Each Lease Purchase Agreement has established a procedure pursuant to which determinations are made as to whether an "Event of Nonappropriation" resulting in termination of a Lease Purchase Agreement has occurred. For a more detailed description of such process and what constitutes an Event of Nonappropriation, see "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - The Lease Purchase Agreements" in this Part I.

If a Lease Purchase Agreement is terminated as a result of non-appropriation of funds for Lease Payments required thereunder (an "Event of Nonappropriation"), the State is required to relinquish to the Trustee all of the State's rights, title and interest in and to the applicable Project and the Trustee will have the rights and remedies described under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - The Ground Leases" in this Part I.

State Option to Purchase Projects

Each Lease Purchase Agreement grants the State the right to purchase the Project to which such Lease Purchase Agreement relates by paying to the applicable Trustee the amount necessary to defease all remaining Base Rent due under such Lease Purchase Agreement. This amount is referred to as the Purchase Option Price. Following payment of the Purchase Option Price, all right, title and interest in the Project will be conveyed back to the State. The Purchase Option Price will be deemed paid when money or Defeasance Obligations or a combination

thereof which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient moneys to pay when due the principal and interest on and any other payments (including redemption premiums) in connection with all then outstanding Certificates of the applicable Series to the final maturity date thereof or to a date on which such Certificates have been called for prior redemption is irrevocably deposited in trust with a commercial bank with trust powers and irrevocably set aside exclusively to make such payments.

Indenture Funds and Accounts

Each Indenture establishes a Debt Service Fund, Rebate Fund and Reserve Fund with the applicable Trustee. The Debt Service Fund and the Reserve Fund are included within the Trust Estate.

Debt Service Fund

The Debt Service Fund established pursuant to each Indenture will be used to pay the principal of and interest on the Certificates issued pursuant to such Indenture. The Debt Service Fund established under each Indenture will have an Interest Account and a Principal Account. Each Debt Service Fund will be in the custody of the Trustee with respect to the applicable Indenture. The Trustee will withdraw sufficient funds from the Debt Service Fund to pay the principal of and interest on the Certificates as the same become due and payable.

Moneys in the Interest Account will be used solely for the payment of the interest with respect to the Certificates. There will be deposited into the Interest Account (a) all accrued interest, if any, received at the time of the execution and delivery of the Certificates; (b) that portion of each payment of Base Payments which is designated and paid as interest under the applicable Lease Purchase Agreement; and (c) certain other moneys that may be transferred to the Interest Account or that may be received by the Trustee for deposit in the Interest Account.

Moneys in the Principal Account will be used solely for the payment of the principal with respect to the Certificates. There will be deposited into the Principal Account (a) that portion of each payment of Base Rent which is designated and paid as principal under the applicable Lease Purchase Agreement; and (b) certain other moneys that may be transferred to the Principal Amount or that may be received by the Trustee for deposit in the Principal Account.

If the Certificates are to be prepaid in whole pursuant to the Indenture, any moneys in the Debt Service Fund will be available to pay such prepayment along with other moneys held by the Trustee for such purpose.

Reserve Fund

Each Indenture establishes a Reserve Fund and permits there to be a designated reserve requirement which may be different for each Series of Certificates issued pursuant to that Indenture. Although each Indenture establishes a Reserve Fund, with respect to each of the Capitol Complex Project Certificates, Casa Grande Project Certificates and the Nevada State University Project Certificates, the reserve requirement for each Series of Certificates will be \$0.*

Rebate Fund

Each Indenture establishes a Rebate Fund to which deposits will be made as provided in the applicable Indenture and the Tax Compliance Certificate entered into with respect to the applicable Series of Certificates.

Issuance of Additional Certificates

Each Indenture permits the issuance of Additional Certificates for the following purposes:

- (a) the costs of refunding all or any portion of the Outstanding Certificates; and

* Preliminary, subject to change.

- (b) the costs of making at any time or from time to time such additions, modifications and improvements for or to the Leased Property as the State and the Corporation may deem necessary or desirable.

The Indenture requires that the maturity dates for such Additional Certificates be the same date of the month as the maturity date of the initial Certificates and the interest payment dates for such Additional Certificates be the same dates of the month as the interest payment dates of the initial Certificates. Additional Certificates may only be issued to evidence undivided interests in Base Rent pursuant to an amendment of the Lease Purchase Agreement with respect to which Certificates have not been previously issued.

The Ground Leases

Capitol Complex Project

The site of the Capitol Complex Project is owned by the State. In 2004 the State leased the site to the Corporation pursuant to a ground lease (the “Capitol Complex Project Ground Lease”) for a term of 35 years. The Corporation has prepaid the rent under the Capitol Complex Project Ground Lease (from a portion of the proceeds of certificates refunded by the Refunded Capitol Complex Project Certificates) for the entire term of the Ground Lease. If the Capitol Complex Project Ground Lease is terminated and the Capitol Complex Project Certificates are still Outstanding, the rent payable by the State would increase to approximately \$165,000 per year. In addition, the Trustee would be required to pay the cost of sewer and water utility services for the Capitol Complex Project, and the Trustee would incur other expenses, such as ad valorem taxes in substantial amounts that are not presently determinable. All such expenditures by the Trustee would reduce the funds available to pay the Capitol Complex Project Certificates.

Casa Grande Project

The site of the Casa Grande Project is owned by the State. In 2004 the State leased the site to the Corporation pursuant to a ground lease (the “Casa Grande Project Ground Lease”) for a term of 35 years. The Corporation has prepaid the rent under the Casa Grande Project Ground Lease (from a portion of the proceeds of certificates refunded by the Refunded Casa Grande Project Certificates) for the entire term of the Ground Lease. If the Casa Grande Project Lease Purchase Agreement is terminated and the Casa Grande Project Certificates remain Outstanding, the Trustee may assign, sublease or otherwise transfer all or any portion of its interest in the premises and all improvements thereon to any person to be used for any lawful purpose, subject however, to the terms of the Casa Grande Project Ground Lease.

Nevada State University Project

The site of the Nevada State University Project (the “Project Site”) is owned by NSHE. In connection with the issuance of the Refunded Nevada State College Project Certificates in 2013, NSHE entered into a ground lease with the Corporation (the “Nevada State University Project Ground Lease”), pursuant to which NSHE leased the Project Site to the Corporation for a term of 35 years. Rent under the Nevada State University Project Ground Lease is \$1.00 per year, provided that if the Nevada State University Project Lease Purchase Agreement is terminated without a termination of the Nevada State University Project Ground Lease, such rent will increase to \$69,614.25 per year, which has been determined by the State Land Registrar to be the fair rental value of the premises as of the date of the ground lease. If the Nevada State University Project Lease Purchase Agreement is terminated and the Nevada State University Project Certificates remain Outstanding, the Nevada State University Project Certificates Trustee may assign, sublease or otherwise transfer all or any portion of its interest in the premises and all improvements thereon to any person to be used for any lawful purpose, subject however, to the terms of the Nevada State University Project Ground Lease.

The Lease Purchase Agreements

For each of the Capitol Complex Project, the Casa Grande Project and the Nevada State University Project, the State will enter into a separate Lease Purchase Agreement.

- For the Capitol Complex Project, the Corporation, as lessor, and the State, acting by and through State Lands, on behalf of CNR as lessee, will enter into the Lease Purchase Agreement.
- For the Casa Grande Project, the Corporation, as lessor, and the State, acting by and through State Lands, on behalf of NDC as lessee, will enter into the Lease Purchase Agreement.
- For the Nevada State University Project, the Corporation, as lessor, and the State, acting by and through NSHE as lessee, will enter into the Lease Purchase Agreement.

Term

Each Lease Purchase Agreement term will commence on the date of issuance of the applicable Series of Certificates and will terminate upon the earliest of any of the following events:

- (a) the date on which the Certificates of the applicable Series are no longer Outstanding;
- (b) the date the Lease Purchase Agreement is terminated by the State because of a Nonappropriation;
- (c) the date on which the Lease Purchase Agreement is terminated by the Trustee due to a default; or
- (d) the date the State acquires the leasehold interest in the applicable Project (the "Financed Facilities") upon exercising its right to purchase the Financed Facilities pursuant to the applicable Lease Purchase Agreement.

Termination Upon Nonappropriation

Upon enactment by the legislature of a legislative measure constituting a budget appropriation for a Fiscal Year, but in no event later than 15th of July of the Fiscal Year, NSHE, with respect to the Nevada State University Project, and the Department of Administration with respect to the Capitol Complex Project and the Casa Grande Project, are each required to certify to the Authorized Officer of the State that funds have or have not been appropriated for the Fiscal Year in a sufficient amount to prevent termination as set forth in the following paragraph. The Authorized Officer of the State is required to advise the Trustee promptly and in no case later than the first day of August of each Fiscal Year whether funds have been appropriated for the Fiscal Year sufficient to prevent the applicable Lease Purchase Agreement from terminating as set forth in the following paragraph. No determination of nonappropriation is permitted to be made unless (A) there is a failure of the legislature to appropriate money to NSHE for Nevada State University (with respect to the Nevada State University Project), to CNR (with respect to the Capitol Complex Project) or to NDC (with respect to the Casa Grande Project) in an amount at least equal to payments due pursuant to the applicable Lease Purchase Agreement or (B) the legislature by express terms of a statute provides that, of the funds appropriated to the foregoing entities or departments, as applicable, no amount or an insufficient amount is available for payments due pursuant to the applicable Lease Purchase Agreement.

A Lease Purchase Agreement shall terminate as of the first day of October of any Fiscal Year for which funds have not been appropriated for the Lease Payments required under the applicable Lease Purchase Agreement in an amount sufficient to pay Base Rent (taking into account any credits from capitalized interest as permitted in the applicable Lease Purchase Agreement) and reasonably anticipated Additional Rent due in that Fiscal Year. Upon the occurrence of such a termination, the State shall not be obligated to make Lease Payments under the applicable Lease Purchase Agreement with respect to the Fiscal Year for which such termination occurs, but shall be obligated to make payments thereunder with respect to any period prior to the start of such Fiscal Year, to the extent sums have been appropriated for that purpose.

If a Lease Purchase Agreement is terminated as a result of non-appropriation of funds for Lease Payments required thereunder (an "Event of Nonappropriation"), the State is required to relinquish to the Trustee all of the State's rights, title and interest in and to the applicable Project

Payment of Base Rent

The State will be required to pay, as Base Rent, without any set-off or deduction whatsoever the amounts shown in the "Total Base Rent" in a schedule to each Lease Purchase Agreement on the date those amounts are due. Such payments shall be made by wire transfer directly to the Trustee, as assignee of the Corporation's rights to receive Base Rental payments. These Schedules with respect to the Capitol Complex Project Certificates, the Casa Grande Project Certificates and the Nevada State University Project Certificates are included under the heading "DESCRIPTION OF THE CERTIFICATES - Schedule of Base Rent Payments" in this Part I.

Payment of Additional Rent

The State will be obligated to pay certain Additional Rent in addition to Base Rent. Such Additional Rent includes amounts necessary to replenish the reserve account for the applicable Series of Certificates, the costs and expenses of the Trustee, and certain other costs as more fully described in Appendix A to this Part I in the summary of the Lease Purchase Agreements.

Budgeting for State Rental Payments

The State's obligation to pay Base Rent and make other payments under the Lease Purchase Agreements is subject to appropriation by the State. State statutes require all State agencies and departments to submit their two-year budgets to the State of Nevada Budget Division (the "Budget Division") by the September 1st prior to the biennial meeting of the State legislature. The State has agreed, in the applicable Lease Purchase Agreements, to include rental payments for the applicable Lease Purchase Agreements in their proposed budgets. The Budget Division holds hearings in October on the submitted budgets and the Governor reviews the proposals in November. In mid January, the two-year budget is finalized and submitted to the legislature at least fourteen days before the start of each biennial regular session. The legislature holds hearings and approves or modifies the two-year budget. The budget may be modified by other appropriations acts enacted before completion of the legislature. The Interim Finance Committee of the legislature is authorized to allocate moneys to fund necessary expenditures between the legislative sessions in amounts determined by the legislature. See "FINANCIAL INFORMATION - Budget Procedure" in Part II of this Official Statement for further information about the State budget procedures.

CONTINUOUS DISCLOSURE UNDERTAKINGS

The State has agreed to certain covenants relating to compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended ("SEC Rule 15c2-12"). The State has designated Digital Assurance Certification, L.L.C. ("DAC") as its dissemination agent. See Appendix C of this Part I for the form of Disclosure Dissemination Agent Agreement to be entered into by the State with respect to the Certificates.

In connection with other bonds issued by the State, the State has entered into similar continuous disclosure undertakings pursuant to which the State agrees to provide and file annual financial information and notices of specified material events with respect to the applicable bonds. In addition, in connection with various refundings, the State has designated the applicable paying agent for the bonds to be defeased or redeemed as its representative for purposes of filing notices of defeasance or redemption with the MSRB.

The State generally offers multiple series of bonds through a single official statement and enters into continuing disclosure arrangements through a single agreement that is applicable to all series of bonds offered under the applicable official statement. In certain instances, one or more series of bonds is secured by revenues that are not available as security for the other series of bonds offered pursuant to the same offering document. It has come to the State's attention that in several financings a continuing disclosure obligation may be applicable to an issue of bonds for which it is not intended, and that is not secured by the revenues with respect to which continuing disclosure information is required. The State has become aware of a limited number of instances of failure to update certain tables, none of which the State believes to be material because the tables update revenue sources that are not available for payment of the issue of bonds for which an update was not provided.

Due to circumstances arising from the global COVID-19 pandemic, the audit of the State's FY 2020 Financial Statements was not completed until May 21, 2021. On March 18, 2021, the State filed a voluntary financial disclosure explaining the delay along with its unaudited FY 2020 Financial Statements. The State filed its audited FY 2020 Financial Statements on June 1, 2021.

Due to the examination and correction of errors related to certain transactions between the State and a component unit, which resulted in a restatement of fund balance or net position as of July 1, 2020, the audit of the State's FY 2021 Financial Statements was not completed until June 23, 2022. On March 25, 2022, the State filed a voluntary financial disclosure explaining the delay. The State filed its audited FY 2021 Financial Statements on June 24, 2022.

The audit of the State's FY 2022 Financial Statements was not completed until [____], 2023. On March 30, 2023, the State filed its unaudited FY 2022 Financial Statements. The State filed its audited FY 2022 Financial Statements on [____], 2023.

The Office of the State Treasurer believes that, except as set forth above, during the past five years the State has complied in all material respects with any prior written continuing disclosure undertaking pursuant to SEC Rule 15c2-12.

INVESTMENT CONSIDERATIONS

The State's ability to pay Base Rent, together with certain Additional Rent, if applicable depends upon numerous factors, many of which are not subject to the control of the State. Described below are certain factors that could materially adversely affect the ability of the State to pay Base Rent and Additional Rent, if applicable. This description does not purport to be either comprehensive or definitive. The order in which factors are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may be other factors or considerations associated with an investment in the Series 2023 Certificates in addition to those set forth herein.

Disease Outbreak Risk and Other Health Emergencies

The State is subject to unpredictable potential occurrences of global, national, or regional health risks or disease outbreaks. For example, the COVID-19 pandemic had adverse effects on State operations and financial performance. For information specifically related to the impact of COVID-19 on the State's General Fund, see Table 12 in Part II of this Official Statement, and for information about COVID-19-related Federal funding to the State, see "FINANCIAL INFORMATION –COVID-19 Federal Aid" in Part II of this Official Statement.

Future outbreaks, pandemics, or public health emergency events outside the State's control may have adverse impacts on the State's economy or tax revenues received. The State cannot predict: (1) the duration or extent of any potential public health emergency, outbreak, or pandemic; (ii) what short or long-term effects the response to such events may have on the State's operations or finances; or (iii) to what extent such events may disrupts the local, State, national, or global economy, manufacturing or supply chains, and if any such disruptions may adversely impact State operations or finances.

Risks Related to the U.S. and Global Economies and Geopolitical Uncertainty

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues for the State, as well as for Clark County and other local jurisdictions in which gaming companies operate. In addition, a significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain. See Part II of this Official Statement, "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" for further information.

Geopolitical conflicts and acts of war, such as Russian’s invasion of Ukraine in February 2022, may cause disruptions to the global economy, including disruptions that affect air, maritime, and other transportation modes. Conflicts may impact the aviation industry by preventing access to airports in and around areas of unrest and by increasing passenger anxieties about air travel, thereby negatively impacting the tourism industry. Conflicts may also lead to increased volatility in fuel and other commodity prices, challenges in sourcing needed materials, changes in supply, demand or pricing due to export restrictions and sanctions, and additional supply chain risks.

Risks of Changes in Federal Policy and Federal Funding

The federal government has made changes to federal trade and immigration policy and other policies that could result in reductions in the State’s level of federal funding for a variety of social services, healthcare, public safety, transportation, public health, and other federally funded programs. In some cases, the federal government has sought to impose funding conditions based on federal policy goals. Furthermore, the State receives federal financial assistance for specific purposes that are generally subject to review or audit by the grantor agencies. Entitlement to this assistance is generally conditioned upon compliance with the terms of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the State.

Affordable Care Act (“ACA”) Risk. Pending legal challenges to the validity of the ACA pose potential risks to billions of dollars of federal funding for the State’s Medicaid/Medical Assistance programs administered by the State. The State cannot predict the outcome of the pending legal challenges or appeals, the likelihood that any reductions in federal funding would occur, or the likelihood or substance of any State legislative response.

Federal Shutdown Risk. Federal government shutdowns have occurred in the past and could occur in the future. A lengthy federal government shutdown poses potential direct risks to the State’s receipt of revenues from federal sources and could have indirect impacts due to the shutdown’s effect on general economic conditions.

Limited Land Available for Property Taxation

There is a very limited amount of land in the State that is currently subject to taxation. Property owned by the federal government is exempt from taxation. In addition, the State Legislature has provided for the exemption of certain types of properties. For instance, property owned by the State and its political subdivisions, or certain enumerated religious, charitable and educational organizations, is exempt. The total land area of the State that is exempted from property tax is approximately 81.2%. See Part II of this Official Statement, “PROPERTY TAXATION” for further information.

Climate Impacts and Natural Disasters

The State is subject to unpredictable seismic activity, fires, floods, high winds, landslides, avalanche or other natural disasters and extreme heat. A severe natural disaster, such as an earthquake, fire, flood, high wind event or landslide, could result in substantial damage in the State. In recent decades the State has witnessed increasing temperatures, extreme droughts, loss of snow, increasing evaporative demand (i.e., atmospheric thirst) and a number of large wildfires. As the driest state in the nation, the State is particularly vulnerable to changes in water supply that are expected as temperatures warm in the State and across the West. For information regarding the water supply in the State’s two most populous counties, see Part II of this Official Statement, “ECONOMIC AND DEMOGRAPHIC INFORMATION—Water” for further information.

In March 2019, the State joined the U.S. Climate Alliance and in November 2019, the Governor executed Executive Order 2019-22 which directed State agencies to develop a State Climate Strategy establishing a framework to advance State-wide climate action. With the passage of SB254 in 2019, the State adopted aggressive greenhouse gas (“GHG”) emissions-reduction targets: 28% by 2025, 45% by 2030, and net-zero (near-zero) by 2050. Under current policies and based on the best available science according to the NCI, the State is currently on a path to reduce economy-wide GHG emissions 24% by 2025 (4% short of the 28% goal) and 26% by 2030 (19% short of the 45% goal).

In the summer of 2020, the Governor launched the State of Nevada Climate Initiative (“NCI”). In December, the State released the State Climate Strategy. The 2020 Climate Strategy informs policymaking on how the State will achieve the targets established by SB254 and provides an integrated framework for evaluating climate policies for the State. One component of the State Climate Strategy is a written report entitled “Climate Change in Nevada,” which describes how climate change has already and may continue to impact the State and strategies that can be used to prepare for these changes. The report is available on the NCI website, [ClimateAction.nv.gov](https://climateaction.nv.gov).

While climate impacts may be managed by the State’s past and future investment in adaptation strategies, the State can give no assurance about the net effects of those strategies and whether the State will be required to take additional adaptive measures.

Loss of Tax Exemption

Interest with respect to the Series 2023 Certificates could become includable in gross income for purposes of federal income taxation retroactive to the date that the Series 2023 Certificates were executed and delivered as a result of future acts or omissions of the State in violation of its covenants in the Capitol Complex Project Certificates Indenture with respect to the Capitol Complex Project Certificates, the Casa Grande Project Certificates Indenture with respect to the Casa Grande Project Certificates, and the Nevada State University Project Certificates Indenture with respect to the Nevada State University Project Certificates. In addition, future legislative proposals, if enacted into law, may cause interest with respect to the Series 2023 Certificates to be subject, directly or indirectly, to federal income taxation if applied retroactively. See “TAX MATTERS.” Should such an event of taxability occur, neither the Capitol Complex Project Certificates, the Casa Grande Project Certificates, nor the Nevada State University Project Certificates are subject to a special prepayment and will remain outstanding until maturity or prior redemption.

Secondary Market for the Series 2023 Certificates

There can be no guarantee that there will be a secondary market for the Series 2023 Certificates or, if a secondary market exists, that any Series 2023 Certificates can be sold for any particular price. Occasionally, because of general market conditions or because of adverse trading history or events or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing market conditions. Such prices could be substantially different from the original purchase price.

Limitations on Remedies

The enforceability of the rights and remedies of the owners of Series 2023 Certificates and the obligations of the State may become subject to laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

Cybersecurity Incident and Risks

The State of Nevada operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to State systems, data or resources, inappropriate exposure or use of State information, disruption of State services, and damage to State systems. Cybersecurity incidents may be disruptive to operations and could be costly. Preventing such incidents and mitigating measures also can be costly. While the State of Nevada has measures in place to prevent cybersecurity incidents as described under “CYBERSECURITY” in Part II of this Official Statement, the State cannot guarantee that such incidents will not occur.

Ballot Measures

[To be updated]

Under the State Constitution, the voters of the State have the ability to propose referenda to modify, approve, or reject all or a part of legislation or propose ballot initiatives to initiate legislation or amend the State Constitution directly. Referenda can be required on legislation through a petition of the voters, or a referendum on new legislation may be required by the Legislature itself. Initiatives are new legislation or amendments to the State Constitution proposed to the Legislature or for voter approval by petition of the voters. A referendum can only approve or disapprove a statute, resolution, or ordinance that was enacted by the State Legislature, Board of County Commissioners, or City Council. Initiatives and referendums are both methods of involving voters directly in the legislative process of government.

According to the Office of the Secretary of State, three initiative measures have qualified for the November 2022 ballot. They are as follows:

- AJR10 -Proposes to amend the Nevada Constitution to prospectively increase the required minimum wage paid to employees.
- SJR8 - Proposes to amend the Nevada Constitution to guarantee equal rights.
- C-01-2021 - Proposes to amend the Nevada Constitution to allow for open primaries and ranked-choice voting.

The Fiscal Analysis Division of the Legislative Counsel Bureau (“LCB”) is responsible for the fiscal impact statements of initiative measures and has stated that the fiscal impact of AJR 10 or SJR 8 cannot be determined.

C-01-2021 (the “Initiative”) qualified for the ballot through the initiative process. If the ballot question is approved by the voters, it will be placed on the ballot a second time in 2024. If a majority of voters vote in favor of the question in 2024 as well, the proposed constitutional amendment will become law. LCB has determined that the implementation of the Initiative will result in additional one-time and ongoing expenditures for the state and local governments following its effective date. However, the LCB cannot easily estimate the costs association with the implementation and administration of the Initiative beginning with the 2026 election cycle; therefore, the actual impacts upon one-time and ongoing expenditures that would be borne by the State in FY 2025 and future fiscal years cannot be determined with any reasonable degree of certainty.

The State does not plan to update this Official Statement to reflect the outcome of the November 8, 2022 election.

Litigation

The State and its agencies are parties to numerous routine legal proceedings that occur as a consequence of regular government operations. At any given point, there are numerous lawsuits involving State agencies which could, depending on the outcome of the litigation or the terms of a settlement agreement, impact revenue or expenditures of the State. See “STATE LITIGATION” in Part II of this Official Statement for additional details.

Forward-Looking Statements

The statements contained in this Official Statement, including Appendices hereto, that are not purely historical, are forward-looking statements, including statements regarding the State’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the State on the date hereof, and the State does not assume any obligation to update any such forward-looking statements except as

may be required in its continuing disclosure agreement. The State's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherent subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions of future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the State. Any of such assumptions could be inaccurate and, therefore, there can be no assurances that the forward-looking statements included in this Official Statement will prove to be accurate.

LEGAL MATTERS

The validity of the Series 2023 Certificates is to be approved by Sherman & Howard L.L.C., as Special Counsel, whose approving opinions will be delivered to the State concurrently with the delivery of the Series 2023 Certificates. A copy of the proposed text of the approving opinions of Special Counsel is set forth in Appendix B to Part I of this Official Statement. Certain matters will be passed on for the Corporation by the office of the Attorney General of the State. Hawkins Delafield & Wood LLP is serving as Disclosure Counsel to the State with respect to the Certificates. Special Counsel, the office of the Attorney General, and Disclosure Counsel, respectively, undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION RELATING TO THE SERIES 2023 CERTIFICATES

No litigation is pending against the State (with service of process on the State having been accomplished) in any federal or state court, nor is the State a party in any administrative proceeding pending before any administrative body, that seeks to restrain or enjoin either (i) the execution and delivery of the Lease Purchase Agreements for the respective Series of Certificates or (ii) the sale or delivery of the Series 2023 Certificates, or challenges the constitutionality, validity or enforceability of any document or approval necessary to the issuance of the Series 2023 Certificates.

No litigation is pending against the Corporation (with service of process on the Corporation having been accomplished) in any federal or state court, nor is the Corporation a party in any administrative proceeding pending before any administrative body, that seeks to restrain or enjoin the sale or delivery of the Series 2023 Certificates or challenges the constitutionality, validity or enforceability of any document or approval necessary to the issuance of the Series 2023 Certificates.

TAX MATTERS

Federal Tax Matters

In the opinion of Sherman & Howard L.L.C., Special Counsel to the State ("Special Counsel"), assuming continuous compliance with certain covenants described below, the portion of the Base Rent which is paid by the State and designated in each Lease Purchase Agreement as interest and paid by the Trustee as interest on the respective Series 2023 Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the dates of delivery of each series of the Series 2023 Certificates (the "Tax Code"), and such interest is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of each series of the Series 2023 Certificates only to the extent such original issue discount is accrued as described herein.

The opinion of Special Counsel does not cover the treatment for federal tax purposes of any moneys received in payment of or in respect to the Series 2023 Certificates subsequent to the occurrence of an Event of Default or an Event of Non-Appropriation.

The Tax Code imposes several requirements which must be met with respect to each series of the Series 2023 Certificates in order for the interest on each series to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of each series of the Series 2023 Certificates. These requirements include: (a) limitations as to the use of proceeds of each series of the Series 2023 Certificates; (b) limitations on the extent to which proceeds of each series of the Series 2023 Certificates may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of each series of the Series 2023 Certificates above the yield on each series of the Series 2023 Certificates to be paid to the United States Treasury. The State will covenant and represent in each Lease Purchase Agreement that it will not take any action or omit to take any action with respect to each Lease Purchase Agreement, the proceeds of each series of the Series 2023 Certificates, any other funds of the State or any facilities financed with the proceeds of each series of the Series 2023 Certificates if such action or omission (i) would cause the interest component of Base Rent to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause the interest component of Base Rent to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code.. Special Counsel's opinion as to the exclusion of interest on each series of the Series 2023 Certificates from gross income and alternative minimum taxable income is rendered in reliance on these covenants with respect to each series, and assumes continuous compliance therewith. The failure or inability of the State to comply with these requirements could cause such interest to be included in gross income, alternative minimum taxable income or both from the date of issuance. Special Counsel's opinion also is rendered in reliance upon certifications of the State and other certifications furnished to Special Counsel. Special Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 15% alternative minimum tax on the "adjusted financial statement income" of "applicable corporations" (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). "Applicable corporations" are generally corporations with average annual adjusted financial statement income over a three year period of \$1 billion or more. "Adjusted financial statement income" generally means the net income or loss of a corporation (including interest on the Series 2023 Certificates) as set forth on the corporation's applicable financial statement, adjusted as provided in Section 56A of the Tax Code. This 15% alternative minimum tax is applicable for tax years beginning after December 31, 2022. Corporations should consult their tax advisors about whether the corporation is an "applicable corporation" and if the corporation is such an applicable corporation, about the calculation of "adjusted financial statement income" and the alternative minimum tax for the corporation.

With respect to each series of the Series 2023 Certificates that were sold in the initial offering at a discount (the "Discount Certificates"), the difference between the stated redemption price of the Discount Certificates at maturity and the initial offering price of those certificates to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs. The original issue discount on the Discount Certificates is treated as accruing over the respective terms of such Discount Certificates on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on April 1 and October 1 with respect to the Capitol Complex Project Certificates and the Casa Grande Project Certificates and June 1 and December 1 with respect to the Nevada State University Project Certificates with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Certificates. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Certificates (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Certificates.

Original issue discount may be included in “adjusted financial statement income” of “applicable corporations” for the purpose of the corporate alternative minimum tax imposed under Section 55(b) of the Tax Code for taxable years beginning after December 31, 2022. For this purpose, accrued original issue discount on the Discount Certificates may be deemed to be received and included in adjusted financial statement income in the year of accrual even though there will not be a corresponding cash payment. Applicable corporations should consult their tax advisors with respect to the appropriate timing and amount of original issue discount to include in “adjusted financial statement income” in any particular tax year beginning after December 31, 2022.

Owners who purchase Discount Certificates after the initial offering or who purchase Discount Certificates in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Certificates. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Certificates. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Series 2023 Certificates. Owners of the Series 2023 Certificates should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on each series of the Series 2023 Certificates made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Series 2023 Certificates may be sold at a premium, representing a difference between the original offering price of those certificates and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such certificates (if any) may realize a taxable gain upon their disposition, even though such certificates are sold or redeemed for an amount equal to the owner’s acquisition cost. Special Counsel’s opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on each series of the Series 2023 Certificates from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Series 2023 Certificates. Owners of the Series 2023 Certificates should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Special Counsel are based on existing law as of the delivery dates of each series of the Series 2023 Certificates. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Series 2023 Certificates, the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on each series of the Series 2023 Certificates from gross income or alternative minimum taxable income or both from the dates of issuance of each series of the Series 2023 Certificates or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Series 2023 Certificates. Owners of the Series 2023 Certificates are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Series 2023 Certificates. If an audit is commenced, the market value of the Series 2023 Certificates may be adversely affected. Under current audit procedures the Service will treat the State

as the taxpayer and the Series 2023 Certificate owners may have no right to participate in such procedures. The State has covenanted in each Lease Purchase Agreement that it will not take any action that would cause the interest component of Base Rent to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the State, the municipal advisors, the underwriters, Special Counsel or disclosure counsel is responsible for paying or reimbursing any Series 2023 Certificate owner with respect to any audit or litigation costs relating to the Series 2023 Certificates.

State Tax Exemption

The Series 2023 Certificates, their transfer, and the income therefrom are 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.

FINANCIAL STATEMENTS

The Annual Comprehensive Financial Report of the State for FY 2022, excluding the Introductory Section and Statistical Section, is included as Appendix A to Part II of this Official Statement. [Eide Bailly LLP, certified public accountants and independent auditors for the State, has consented to the inclusion of such Annual Comprehensive Financial Report in this Official Statement.] The State's History of General Fund Revenues, Expenditures and Changes in Fund Balances for the five fiscal years ended June 30, 2022, is included as Appendix B to Part II of this Official Statement.

RATINGS

Fitch, Inc., doing business as Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of "[__]," "[__]," and "[__]," respectively, to the Series 2023 Certificates. An explanation of the significance of these ratings may be obtained from Fitch at 33 Whitehall Street, New York, New York 10004, from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and from S&P at 55 Water Street, New York, New York 10041. Such ratings reflect only the views of the rating agencies.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their opinion, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the marketability and market price of the Series 2023 Certificates to which such ratings are applicable.

UNDERWRITING

The Capitol Complex Project Certificates were sold in a competitive sale on ___, 2023. The successful bidder for the Capitol Complex Project Certificates was _____. The aggregate purchase price of the Capitol Complex Project Certificates is \$_____, being the par amount of the Capitol Complex Project Certificates [plus/less a net reoffering premium/discount] of \$_____ and less an underwriter's discount of \$_____.

The Casa Grande Project Certificates were sold in a competitive sale on ___, 2023. The successful bidder for the Casa Grande Project Certificates was _____. The aggregate purchase price of the Casa Grande Project Certificates is \$_____, being the par amount of the Casa Grande Project Certificates [plus/less a net reoffering premium/discount] of \$_____ and less an underwriter's discount of \$_____.

The Nevada State University Project Certificates were sold in a competitive sale on ___, 2023. The successful bidder for the Nevada State University Project Certificates was _____. The aggregate purchase price of the Nevada State University Project Certificates is \$_____, being the par amount of the Nevada State University Project Certificates [plus/less a net reoffering premium/discount] of \$_____ and less an underwriter's discount of \$_____.

VERIFICATION AGENT

In connection with the prepayment of the Refunded Nevada State University Project Certificates, [____], independent accountants, will verify from the information provided to them the accuracy as of the date of the delivery of the Nevada State University Project Certificates of the mathematical computations relating to the adequacy of amounts in the defeasance escrow to prepay the Refunded Nevada State College Project Certificates on [____]. The defeasance escrow will be invested in Defeasance Securities upon the issuance of the Nevada State University Project Certificates. [____] will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest portion of Base Rent on the Capitol Complex Project Certificates.

MUNICIPAL ADVISOR

JNA Consulting Group, LLC is serving as municipal advisor to the State and the Corporation in connection with the Certificates. The municipal advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the State or the Corporation, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the municipal advisor respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

AUTHORIZATION

This Official Statement and its use in connection with the offering and sale of the Series 2023 Certificates has been duly authorized by the State and the Corporation.

STATE OF NEVADA

State Treasurer

NEVADA REAL PROPERTY CORPORATION

President

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PART I

SCHEDULE 1

MATURITY SCHEDULES OF REFUNDED CERTIFICATES

[To confirm refunded maturities]

The proceeds of the Capitol Complex Project Certificates will be used to refund all of the following:

State of Nevada
Lease Revenue Refunding Certificates of Participation
(Capitol Complex Building 1)
Series 2013

Maturity (April 1)	Refunded Principal	Interest Rate	Yield	CUSIP Number
2024	\$1,100,000	5.000%	3.470%*	641486CA1
2025	1,155,000	5.000	3.620*	641486CB9
2026	1,210,000	5.000	3.820*	641486CC7
2027	1,270,000	4.000	4.190	641486CD5
2028	1,320,000	4.125	4.340	641486CE3
2029	1,375,000	4.250	4.470	641486CF0
2030	1,435,000	4.250	4.590	641486CG8
2031	1,495,000	4.500	4.680	641486CH6

* Yield to first optional call date of October 1, 2023.

The proceeds of the Casa Grande Project Certificates will be used to refund all of the following:

State of Nevada
Lease Revenue Refunding Certificates of Participation
(Casa Grande Project)
Series 2013

Maturity (April 1)	Refunded Principal	Interest Rate	Yield	CUSIP Number
2024	\$1,030,000	5.000%	3.470%*	641486CU7
2025	1,085,000	5.000	3.620*	641486CV5
2026	1,135,000	5.000	3.820*	641486CW3
2027	1,195,000	4.000	4.190	641486CX1
2028	1,240,000	4.125	4.340	641486CY9
2029	1,290,000	4.250	4.470	641486CZ6
2030	1,345,000	4.250	4.590	641486DA0
2031	1,405,000	4.500	4.680	641486DB8

* Yield to first optional call date of October 1, 2023.

The proceeds of the Nevada State University Project Certificates will be used to refund all of the following:

State of Nevada
Lease Revenue Certificates of Participation
(Nevada State College Project)
Series 2013

Maturity (June 1)	Refunded Principal	Interest Rate	Yield	CUSIP Number
2024	\$1,335,000	5.000%	3.480% *	641486DK8
2025	1,400,000	5.000	3.640*	641486DL6
2026	1,470,000	5.000	3.840*	641486DM4
2027	1,545,000	4.000	4.190	641486DN2
2028	1,610,000	4.125	4.340	641486DP7
2029	1,675,000	4.250	4.470	641486DQ5
2030	1,745,000	4.250	4.590	641486DR3
2033	5,735,000	5.000	4.680*	641486DS1
2035	4,310,000	4.625	4.950	641486DV4
2038	7,250,000	4.750	5.050	641486DT9
2043	14,645,000	5.000	5.110	641486DU6

* Yield to first optional call date of December 1, 2023.

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PART I - APPENDIX A

SUMMARIES OF PRINCIPAL DOCUMENTS

Following are summaries of certain provisions of each of the Lease Purchase Agreements and each of the Indentures that are applicable to each of the Capitol Complex Project Certificates, the Casa Grande Project Certificates and the Nevada State University Project Certificates. Each of the Lease Purchase Agreements and Indentures have substantially the same terms. The summaries that follow do not purport to be complete and reference is made to the Lease Purchase Agreements and the Indentures, copies of which are on file and available for examination at the office of the Corporation. Definitions of terms previously defined in this Official Statement may not be contained in the following summaries, but will have the meanings set forth previously.

DEFINITIONS OF CERTAIN TERMS

The following terms have the respective meanings set forth below:

“Additional Certificates” means, with respect to any Lease Purchase Agreement, any Certificates, other than the initial Series of such Certificates, executed and delivered pursuant to the applicable Indenture evidencing proportionate undivided interests in rights to receive Base Rent under the applicable Lease Purchase Agreement.

“Additional Rent” means, with respect to any Lease Purchase Agreement, any payments required to be made under the applicable Lease Purchase Agreement in addition to Base Rent including, but not limited to, administrative costs, all required payments of the costs and expenses of the applicable Trustee not paid with proceeds of the Certificates, and payments required to be made into the applicable Reserve Fund as provided in the applicable Indenture.

“Base Rent” means the portion of the rent designated as Base Rent under each Lease Purchase Agreement.

“Certificates” means, with respect to any Lease Purchase Agreement, the initial Certificates of Participation issued with respect to such Lease Purchase Agreement issued pursuant to the applicable Indenture and any Additional Certificates executed and delivered pursuant to the applicable Indenture.

“Corporation” means Nevada Real Property Corporation, a public not-for-profit corporation of the State.

“Defeasance Securities” means, with respect to a Series of Certificates issued pursuant to one of the Indentures, (1) cash, (2) non-callable direct obligations of the United States of America (“Treasures”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasures are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively or (5) securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof.

“Financed Facilities” means the facilities refinanced with proceeds of the applicable Certificates, which includes any changes or amendments to the Financed Facilities actually constructed, as permitted in the applicable Lease Purchase Agreement.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any civil or military authority, other than the State (with respect to the State only); insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; explosions; breakage, malfunction or accidents to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or any other cause, circumstance or event not reasonably within the control of the State, as the case may be.

“Ground Lease” means, the lease of property from the State or NSHE, as applicable, to the Corporation, on which the applicable Financed Facility is currently located. The term Ground Lease includes the Capitol Complex Project Ground Lease, the Casa Grande Project Ground Lease and the Nevada State University Project Ground Lease, as applicable.

“Indenture” means each of the Capitol Complex Project Certificates Indenture, the Casa Grande Project Certificates Indenture and the Nevada State University Project Certificates Indenture, as applicable.

“Lease Purchase Agreement” means each of the Capitol Complex Project Lease Purchase Agreement, the Casa Grande Project Lease Purchase Agreement and the Nevada State University Project Lease Purchase Agreement, as applicable.

“Opinion of Counsel” means a written opinion of legal counsel, who may be counsel to the Trustee, the State or the Corporation.

“Outstanding” or *“Certificates Outstanding”* means all Certificates which have been executed and delivered, except:

- (a) Certificates canceled or which have been surrendered to the Trustee for cancellation;
- (b) Certificates in lieu of which other Certificates have been authenticated under the Indenture;
- (c) Certificates which have been prepaid as provided in the Indenture (including Certificates prepaid on a partial payment);
- (d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to the Indenture; and
- (d) Certificates which are otherwise deemed to have been paid under the Indenture.

“Person” or *“persons”* means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body, or other organization or association.

“Purchase Option Price” means the amount payable, at the option of the State for the purpose of terminating the Lease Purchase Agreement and purchasing the Financed Facilities, which amount will be equal to the amount then necessary to defease Base Rent due under the applicable Lease Purchase Agreement pursuant to the applicable Lease Purchase Agreement. At the State’s option, amounts then on deposit in any fund created or provided for under the Indenture or the Lease Purchase Agreement, including without limitation a new appropriation by the Nevada Legislature, except amounts on deposit in

the Rebate Fund created under the Indenture or required to be deposited in the Rebate Fund, may be credited toward the Purchase Option Price.

“*Rebate Fund*” means the fund of that name created under the Indenture as described under “THE INDENTURE—Revenues and Funds—Rebate Fund” below.

“*State*” means the State of Nevada.

“*Tax Compliance Certificate*” means each of the Tax Compliance Certificates between [the Corporation] and the State and the Trustee with respect to the Capitol Complex Project Certificates, the Casa Grande Project Certificates and the Nevada State University Project Certificates.

THE INDENTURES

The following is a brief summary of certain provisions of each of the Indentures; however, it is not a comprehensive description, and reference is made to the full text of the Indentures for a complete recital of its terms.

Trust Estate

The Indenture authorizing the issuance of Certificates of Participation with respect to each Lease Purchase Agreement establishes a Trust Estate for the applicable Series of Certificates. The Trust Estate for each such Series of Certificates is the property mortgaged, pledged and assigned to the applicable Trustee pursuant to the granting clauses of the applicable Indenture.

The Corporation, in order to secure the payment of the principal of and interest on all Certificates at any time outstanding under the applicable Indenture, assigns and pledges the following:

- (a) the property leased under the applicable Ground Lease and the project or facilities constructed thereon and the tenements, hereditaments, appurtenance, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the applicable Lease Purchase Agreement including, but not limited to, the terms of the Lease Purchase Agreements permitting the existence of Permitted Encumbrances (as defined in the applicable Lease Purchase Agreement);
- (b) all rights, title and interest of the Corporation in, to and under the applicable Ground Lease;
- (c) all rights, title and interest of the Corporation in, to and under the applicable Lease Purchase Agreement, other than the rights, title and interest of the Corporation with respect to certain payments or reimbursement to the Corporation thereunder for its costs, fees and expenses;
- (d) all Base Rent and Additional Rent payable under the applicable Lease Purchase Agreement;
- (e) the Purchase Price specified in the applicable Lease Purchase Agreement; and
- (g) all moneys and securities from time to time held by the Trustee under the applicable Indenture in the Debt Service Fund, the Reserve Fund and any and all other real or

personal property from time to time specially mortgaged, pledged, or hypothecated, as and for additional security under the applicable Indenture.

Revenues and Funds

Debt Service Fund. Each Indenture establishes a Debt Service Fund. The Debt Service Fund established pursuant to a particular Indenture will be used to pay the principal of and interest on the Certificates issued pursuant to such Indenture. The Debt Service Fund established under each Indenture will have an Interest Account and a Principal Account. Each Debt Service Fund will be in the custody of the Trustee with respect to the applicable Indenture. The Trustee will withdraw sufficient funds from the Debt Service Fund to pay the principal of and interest on the Certificates as the same become due and payable.

Moneys in the Interest Account will be used solely for the payment of the interest with respect to the Certificates. There will be deposited into the Interest Account (a) all accrued interest received at the time of the execution and delivery of the Certificates; (b) that portion of each payment of Base Payments which is designated and paid as interest under the applicable Lease Purchase Agreement; and (c) certain other moneys that may be transferred to the Interest Account or that may be received by the Trustee for deposit in the Interest Account.

Moneys in the Principal Account will be used solely for the payment of the principal with respect to the Certificates. There will be deposited into the Principal Account of the Certificate Fund (a) that portion of each payment of Base Rent which is designated and paid as principal under the applicable Lease Purchase Agreement, as it may be amended; and (b) certain other moneys that may be transferred to the Principal Account or that may be received by the Trustee for deposit in the Principal Account.

If the Certificates are to be prepaid in whole pursuant to the Indenture, any moneys in the Debt Service Fund will be available to pay such prepayment along with other moneys held by the Trustee for such purpose.

Reserve Fund. Each Indenture establishes a Reserve Fund and permits there to be a designated reserve requirement which may be different for each Series of Certificates issued pursuant to that Indenture. With respect to each of the Capitol Complex Project Certificates, Casa Grande Project Certificates and the Nevada State University Project Certificates, the reserve requirement will be \$0.*

Rebate Fund. Each Indenture creates and establishes the Rebate Fund, to which deposits will be made as provided in the Tax Regulatory Agreement entered into with respect to Certificates issued under the applicable Indenture.

Nonpresentment of Certificates. If any Certificate is not presented for payment when due, if funds sufficient to pay such Certificate have been made available to the Trustee for the benefit of the registered owner thereof, it will be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who will be restricted exclusively to such funds for any claim of whatever nature on his or her part under the Indenture or on or with respect to such Certificate.

Investment of Moneys. All moneys held as part of any fund, account, or subaccount created under an Indenture is required to be deposited or invested and reinvested by the Trustee, at the written direction of the State as an agent of the Corporation (so long as no Event of Default or Event of

* Preliminary, subject to change.

Nonappropriation has occurred) in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any moneys in any fund or account created under an Indenture which shall interfere with or prevent withdrawals for payment of costs of the applicable project or for payment of the Certificates, or interest with respect thereto. (If an Event of Default or an Event of Nonappropriation has occurred, the applicable Trustee shall determine the investments to be made, which shall only be in Permitted Investments.) Any and all such deposits or investments will be held by or under the control of the applicable Trustee. The Trustee may make any and all such deposits or investments through its own trust department or the trust department of any bank or trust company under common control with the Trustee. Except as expressly provided in the applicable Indenture, deposits or investments will at all times be a part of the fund, account or subaccount from which the moneys used to acquire such deposits or investments have come, and all income and profits on such deposits or investments will be credited to, and losses thereon will be charged against, such fund, account or subaccount. In computing the amount in any fund or account held under the provisions of the Indenture, for any purpose thereunder, investments will be valued at cost (exclusive of accrued interest) or par, whichever is less, except that investments in the Reserve Fund shall be valued at fair market value and marked to market on July 1 in each year.

Discharge of Indenture

If, when the Certificates become due and payable in accordance with their terms or otherwise as provided in the applicable Indenture, the whole amount of the principal of and interest due and payable upon all of the Certificates is paid or provision has been made for the payment of the same, together with all other sums payable under the Indenture, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the State and the Corporation to the Trustee and the Owners will thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee will be required to transfer and convey to (or upon the order of) the State all property assigned or pledged to the Trustee by the State and the Corporation then held by the Trustee pursuant to the applicable Indenture, and the Trustee will be required to execute such documents as may be reasonably required by the State and will be required to turn over to (or upon the order of) the State and the Corporation any surplus in any fund, account or subaccount (except the Rebate Fund) created under the applicable Indenture, except any escrow accounts established as set forth in the Indenture.

All or any portion of the Outstanding Certificates will, prior to the maturity or prepayment date thereof, be deemed to have been paid within the meaning and with the effect expressed in the Indenture if (a) in case such Certificates are to be prepaid on any date prior to their maturity, the State has given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give notice of prepayment of such Certificates on said prepayment date, in accordance with the provisions of the Indenture, (b) there has been deposited in trust either moneys in an amount which will be sufficient, or Defeasance Securities which do not contain provisions permitting the prepayment thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, will be sufficient to pay when due the principal of and interest due and to become due on such Certificates on and prior to the prepayment date or maturity date thereof, as the case may be, and (c) a certified public accountant shall have delivered a verification report to the Trustee verifying the deposit described in clause (b) above to the Trustee. Neither the Defeasance Securities nor moneys deposited in trust as described above or principal or interest payments on any such Defeasance Securities may be withdrawn or used for any purpose other than, and must be held in trust for, the payment of the principal of and interest on the Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, will, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (b) of this paragraph maturing at the times and in amounts sufficient to pay when due the principal of and interest to become due on the Certificates on or prior to such prepayment date or maturity date thereof, as the case may be.

At such time as any Certificates are deemed paid as aforesaid, such Certificates will no longer be secured by or entitled to the benefits of the Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

Events of Default; Remedies

Events of Default. The occurrence of any of the following events is defined as and will be deemed an “Event of Default” under each of the Indentures:

- (a) Default in the payment of the principal of any Certificate issued pursuant to the applicable Indenture, when the same becomes due and payable, whether at the stated maturity thereof or upon proceedings for redemption.
- (b) Default in the payment of any installment of interest on any Certificate issued pursuant to the applicable Indenture, when the same becomes due and payable.
- (c) The occurrence of an Event of Nonappropriation under the applicable Lease Purchase Agreement.
- (d) Failure by the Corporation, NSHE, or the State, as applicable, to cure any noncompliance with any provision of the applicable Indenture within 30 days after receiving notice of such noncompliance from the applicable Trustee.

Remedies on Default. Upon the occurrence of an Event of Default under the Lease Purchase Agreement, the Trustee may, and if requested by a majority in aggregate principal amount of the registered owners of the Certificates then Outstanding shall, to the extent indemnified as provided in the applicable Indenture, without any further demand or notice, take one or any combination of the remedial steps described in the applicable Lease Purchase Agreement. The Trustee as assignee of the Corporation is entitled to possession of the Leased Property in such an Event of Default only for the period specified in the Ground Lease and after such period the Leased Property shall revert to the fee owner of the property.

Upon the occurrence of an Event of Nonappropriation with respect to a Lease Purchase Agreement, the Trustee may exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under such Lease Purchase Agreement. The Trustee may and at the request of the Owners of a majority of the aggregate principal amount of the Certificates then Outstanding shall, without any further demand, exercise any and all rights or remedies the Corporation would be entitled to exercise in such an event under such Lease Purchase Agreement. The Trustee, as assignee of Corporation, is entitled to possession of the Leased Property in such an Event of Nonappropriation only for the period specified in the applicable Ground Lease and after such period, the Leased Property shall revert to the fee owner of such property.

The Trustee shall be entitled to the benefit of the owners of the Certificates then Outstanding, upon any Event of Default described in paragraph (c) under the heading “Events of Default” above, to any moneys in any funds or accounts created under the applicable Indenture (except the Rebate Fund and any escrow accounts established in connection with a defeasance). In addition, in the circumstances described in “Prepayment in Whole Upon an Event of Nonappropriation or Event of Default under the Lease Purchase Agreement” in Part I to the Official Statement, the Trustee shall promptly designate a prepayment date and call the Certificates for prepayment in whole.

Upon any Event of Default described in paragraphs (a) or (b) under the heading “Events of Default” above, the Trustee may take whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners, including but not limited to, its rights as assignee of the Corporation's rights under the applicable Ground Lease and the applicable Lease Purchase Agreement. The Trustee may sell, lease or otherwise transfer any portion of the Trust Estate as it desires to be in the best interests of the Certificate holders and apply the proceeds thereof to making payments thereon when due or upon prepayment thereof in the circumstances described in “Prepayment in Whole Upon an Event of Nonappropriation or Event of Default under the Lease Purchase Agreement” in Part I to the Official Statement.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Subject to the rights of the majority of the Owners set forth below, if any Event of Default under an Indenture shall have occurred and if requested by the Owners of a majority in aggregate principal amount of Certificates then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

The Trustee, as assignee of the rights of the applicable Ground Lease and the applicable Lease Purchase Agreement, shall control all remedies available to the Corporation under the Ground Lease and the Lease Purchase Agreement. In addition the Trustee may determine to abandon the applicable Ground Lease, the applicable Lease Purchase Agreement or both.

Majority of Participants May Control Proceedings. Anything in an Indenture to the contrary notwithstanding, the registered owners of a majority in aggregate principal amount of the Certificates then outstanding under such Indenture have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the applicable Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the applicable Indenture, or for the appointment of a receiver, and any other proceedings under such Indenture; provided that such direction may not be otherwise than in accordance with the provisions of such Indenture.

Rights and Remedies of Owners. No Owner has any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless an Event of Default has occurred of which the Trustee has been properly notified, or of which it is deemed to have notice, and the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding have made written request to the Trustee and have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceedings in its own name; and such notification and request are in every case at the option of the Trustee conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more Owners has any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its or their action or to enforce any right thereunder except in the manner therein provided and that all proceedings at law or in equity must be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing contained in the Indenture, however, will affect or impair the right of any Owner to enforce the payment of the principal of and interest on any Certificate at and after the maturity thereof.

Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default will exhaust or impair any such right or power or will be construed to be a waiver of any such Event of Default or acquiescence therein; and every power and remedy given by the Indenture may be exercised from time to time and as often as may be deemed expedient.

No Waiver of One Default to Affect Another. No waiver of any Event of Default under the Indenture, whether by the Trustee or the Owner, will extend to or affect any subsequent or any other then existing Event of Default or impair any rights or remedies consequent thereon.

Discontinuance of Proceedings on Default; Position of Parties Restored. If the Trustee proceeds to enforce any right under the Indenture and such proceedings are discontinued or abandoned for any reason, or are determined adversely to the Trustee, then and in every such case the Corporation, the State, the Trustee, and the Owners will be restored to their former positions and rights under the Indenture with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee will continue as if no such proceedings had been taken.

Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default under the Indenture and its consequences, and notwithstanding anything else to the contrary contained in the Indenture, is required to do so upon the written request of the registered owners of a majority in aggregate principal amount of all the Certificates then outstanding; provided, however, that there may not be waived without the consent of the registered owners of 100% of the Certificates then Outstanding as to which the Event of Default exists (a) any Event of Default in the payment of the principal of any Outstanding Certificates at the date of maturity specified therein or (b) any Event of Default in the payment when due of the interest on any such Certificates, unless prior to such waiver or rescission, all arrearages of interest and all arrearages of payments of principal then due (including interest on all overdue installments at the highest rate due with respect to the Certificates), and all expenses of the Trustee in connection with such Event of Default are paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default are discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the State, the Trustee and the Owners will be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission will extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Supplemental Indentures

The Trustee and the Corporation may, without the consent of, or notice to, the Owners, enter into a Supplemental Indenture for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements of the State or the Corporation contained in the Indenture other covenants and agreements to be thereafter observed by the State or the Corporation;
- (b) to cure any ambiguity, or to cure, correct, or supplement any defect or omission or inconsistent provision contained in the Indenture, or to make any provisions with respect to matters arising under the Indenture or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owners;
- (c) to subject to the Indenture additional revenues, properties or collateral (including release and substitution of property);

(d) to set forth the terms and conditions and other matters in connection with the execution and delivery of Additional Certificates, including Additional Certificates executed and delivered with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;

(e) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes interest with respect to the Certificates; or

(f) to effect any other changes in the Indenture which in the opinion of Special Counsel, do not materially adversely affect the rights of the Owners.

The written consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding shall be required for the execution by the Corporation and the Trustee of any Supplemental Indenture other than as set forth above; provided, however, that without the consent of the Owners of all the Certificates Outstanding adversely affected thereby nothing herein contained shall permit, or be construed as permitting:

(a) a change in the terms of prepayment or maturity of the principal amount of or the interest with respect to any Outstanding Certificate, or a reduction in the principal amount of any prepayment of any Outstanding Certificate or the rate of interest with respect thereto, without the consent of the Owner of such Certificate;

(b) the deprivation as to the Owner of any Certificate Outstanding of the lien created by this Indenture (other than as originally permitted hereby);

(c) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted herein; or

(d) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

If at any time the Corporation shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, and consent of all or a portion of the Owners of the Certificates is needed under the applicable Indenture, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be given electronically or otherwise to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the State and the Corporation following the giving of such notice, the Owners of the required Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as provided in the Indenture, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee, the State or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

Execution of Supplemental Indenture. The Trustee is authorized to join with the Corporation in the execution of any supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Trustee is not obligated to enter into any supplemental indenture which affects its rights, duties or immunities under the Indenture. Any supplemental indenture executed in accordance with the provisions of the Indenture as described therein will thereafter form a part of the

Indenture; and all the terms and conditions contained in any such supplemental indenture will be deemed to be part of the Indenture for any and all purposes.

Amendments of the Lease Purchase Agreement.

Amendments of the Lease Purchase Agreement Not Requiring Consent of Owners. In addition, the State and the Corporation may, with the written consent of the Trustee, but without the consent of or notice to the Owners, amend, change or modify the Lease Purchase Agreement or the Ground Lease as may be required:

- (a) by the provisions of the Lease Purchase Agreement, the Ground Lease or the Indenture;
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Lease Purchase Agreement;
- (c) in order more precisely to identify the Leased Property or to add additional or substituted improvements or properties acquired in accordance with the Lease Purchase Agreement;
- (d) in order to provide for the acquisition, construction, or installation of additional property under the Lease Purchase Agreement or the Ground Lease;
- (e) in connection with the execution and delivery of Additional Certificates, including Additional Certificates executed and delivered with a variable, adjustable, convertible, or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;
- (f) in connection with any Supplemental Indenture permitted by the Indenture;
- (g) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;
- (i) to effect any change that (i) does not reduce the revenues available to the Trustee from the Lease Purchase Agreement below the amount required to make all the payments and transfers required by the Indenture, (ii) does not materially reduce the value of the Leased Property and (iii) does not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates;
- (j) to effect any change to any Financed Facilities permitted by, and in accordance with the terms of, the Lease Purchase Agreement, any similar lease or agreement relating to any other Financed Facilities; or
- (k) to effect any other changes in the Lease Purchase Agreement which, in the opinion of Certificate Counsel or the Trustee, do not materially adversely affect the rights of the Owners.

Amendments of the Lease Purchase Agreement or the Ground Lease Requiring Consent of Owners. Except for the amendments, changes, or modifications permitted as set forth above, none of the State, the Corporation, or the Trustee shall consent to any other amendment, change, or modification of the Lease Purchase Agreement or the Ground Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in the Indenture. If at any time the Corporation shall request the consent of the Trustee to any such proposed amendment, change, or modification of the Lease Purchase

Agreement, the Trustee shall, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the manner as provided in the Indenture. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

THE LEASE PURCHASE AGREEMENTS

The following is a brief summary of certain provisions of the Lease Purchase Agreement; however, it is not a comprehensive description, and reference is made to the full text of the Lease Purchase Agreement for a complete recital of its terms.

Term of Lease Purchase Agreement

Each Lease Purchase Agreement Term will commence on the date of issuance of the applicable Certificates and will terminate upon the earliest of any of the following events:

- (a) the date on which the Certificates of the applicable Series are no longer Outstanding;
- (b) the date the Lease Purchase Agreement is terminated by the State because of an Event of Nonappropriation, as described below;
- (c) the date on which the Lease Purchase Agreement is terminated by the Trustee due to an Event of Default; or
- (d) the date the State acquires the Financed Facilities upon exercising its right to purchase the Financed Facilities pursuant to the Lease Purchase Agreement.

Termination Upon Nonappropriation

Upon enactment by the legislature of a legislative measure constituting a budget appropriation for a Fiscal Year, but in no event later than 15th of July of the Fiscal Year, NSHE, with respect to the Nevada State University Project Lease Purchase Agreement, and the Department of Administration with respect to the Capitol Complex Project Lease Purchase Agreement and the Casa Grande Project Lease Purchase Agreement, is required to certify to the Authorized Officer of the State that funds have or have not been appropriated for the Fiscal Year in a sufficient amount to prevent termination as set forth in the following paragraph. The Authorized Officer of the State is required to advise the Trustee promptly and in no case later than the first day of August of each Fiscal Year whether funds have been appropriated for the Fiscal Year sufficient to prevent this Lease from terminating as set forth in the following paragraph. No determination of nonappropriation is permitted to be made unless (A) there is a failure of the legislature to appropriate money to NSHE for Nevada State University (with respect to the Nevada State University Project Lease Purchase Agreement), the Department of Conservation and Natural Resources (with respect to the Capitol Complex Project Lease Purchase Agreement) or the Department of Corrections (with respect to the Casa Grande Project Lease Purchase Agreement) in an amount at least equal to payments due pursuant to the applicable Lease Purchase Agreement or (B) the legislature by express terms of a statute provides that, of the funds appropriated to the foregoing entities or departments, as applicable, no amount or an insufficient amount is available for payments due pursuant to the applicable Lease Purchase Agreement.

A Lease Purchase Agreement shall terminate as of the first day of October of any Fiscal Year for which funds have not been appropriated for the Lease Payments required under the applicable Lease

Purchase Agreement in an amount sufficient to pay Base Rent (taking into account any credits from capitalized interest as permitted in the applicable Lease Purchase Agreement) and reasonably anticipated Additional Rent due in that Fiscal Year. Upon the occurrence of such a termination, the State shall not be obligated to make Lease Payments under the applicable Lease Purchase Agreement with respect to the Fiscal Year for which such termination occurs, but shall be obligated to make payments thereunder with respect to any period prior to the start of such Fiscal Year, to the extent sums have been appropriated for that purpose.

If a Lease Purchase Agreement is terminated as a result of non-appropriation of funds for Lease Payments required thereunder (an "Event of Nonappropriation"), the State is required to relinquish to the Corporation all of the State's rights, title and interest in and to the applicable Financed Facilities.

Payment of Rent

Base Rent. The State will be required to pay, as Base Rent, without any set-off or deduction whatsoever the amounts shown in the "Total Base Rent" in an exhibit to each Lease Purchase Agreement on the date those amounts are due. Such payments shall be made by wire transfer directly to the Trustee, as assignee of Lessor's rights to receive Base Rental payments. These Schedules with respect to the Capitol Complex Project Certificates, the Casa Grande Project Certificates and the Nevada State University Project Certificates are included under the heading "DESCRIPTION OF THE CERTIFICATES - Schedule of Base Rent Payments" in this Part I.

Additional Rent. The State will be required to pay, as Additional Rent, the amounts due hereunder in addition to Base Rent. In addition to third parties to whom additional rent is paid, the Corporation shall be entitled to receive Additional Rent for its reasonable Corporation Administrative Costs attributable to the Financed Facilities as they become due and are paid by the Corporation, which payment may be subject to certain approvals, provided that the legislature has budgeted sufficient funds to pay those expenses or, in the case of the Nevada State University Project Lease Purchase Agreement, legally available funds are otherwise provided by NSHE.

Credits Against Base Rent. The State will receive a credit against the amount of Base Rent otherwise payable under each Lease Purchase Agreement for amounts equal to (i) any earnings or the proceeds of the Certificates that are applied to payment of Base Rent as provided in the applicable Indenture; (ii) any moneys paid as Base Rent from insurance or condemnation proceeds; and (iii) any moneys otherwise deposited with the Trustee, invested in Defeasance Securities that mature on or before one or more Base Rent Payment Dates and directed by the Authorized Officer to be applied toward designated amounts of Base Rent (not to exceed the amount available as a result of the maturity of such securities) on those designated Base Rent payment dates.

Best Efforts to Obtain Appropriation. The State Treasurer and the State (through the applicable agencies) are required to use all reasonable efforts to include sufficient funds in the State's budget for a biennium for all Lease Payments due under the applicable Lease Purchase Agreement in such biennium.

Use of the Facilities Financed with the Certificates

The facilities financed with the Certificates may be used by the applicable State agencies or for any permitted public uses as may be lawful and in the best interests of the applicable State agencies and the State. The Corporation agrees that the applicable State agencies may enter into such agreements as may be reasonable and appropriate with private persons or companies for the purpose of operating the Financed Facilities provided such agreements do not adversely affect the exclusion of interest on the

Certificates from gross income for purposes of federal income taxation or subject the Financed Facilities to ad valorem property taxes.

Operation, Repairs, and Maintenance of the Facilities; Taxes and Utilities

The applicable State agency under each Lease Purchase Agreement is required, throughout the term of such Lease Purchase Agreement, at its own cost and expense, to keep and maintain the Financed Facilities and all equipment, fixtures, additions and improvements thereof in good order and condition and shall make all ordinary and necessary repairs, renewals, and replacements with respect to the Financed Facilities. The applicable State agency is further responsible for the timely payment of all taxes, assessments, costs, expenses, charges for water, electricity, lights, heat, power, sewage, telephone, and other utility services, rendered or supplied upon or in connection with the Financed Facilities during the term of the applicable Lease Purchase Agreement.

Events of Default

The following are events of default under each Lease Purchase Agreement:

- (a) Failure by the State to pay Base Rent as the same shall become due for any reason other than an Event of Nonappropriation, or
- (b) The State's failure to make any other or any other payment pursuant to the Lease Purchase Agreement when due for any reason other than an Event of Nonappropriation, and the continuing failure to make such payment for a period of sixty (60) Business Days following receipt of notice of failure to make payment; or
- (c) The State's failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease Purchase Agreement, and the failure is not cured within 60 days after written notice of the failure to the State, provided that if the State proceeds to take curative action that, if begun and prosecuted with due diligence, cannot be reasonably completed within the 60 day period, that period may be extended to any extent necessary to enable the State to complete the curative action diligently; or
- (d) A receiver, liquidator or trustee shall be appointed for the State; or the Lease Purchase Agreement shall be adjudicated as bankrupt or insolvent; or any petition for bankruptcy or arrangement pursuant to the federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, the State.

Notwithstanding the foregoing, if, by reason of Force Majeure, the State is unable to perform or observe any agreement, term or condition of the Lease Purchase Agreement, other than any obligation to pay Base Rent or Additional Rent payable by the State in accordance with the Lease Purchase Agreement, the State shall not be deemed in default during the continuance of such inability. However, the State shall use its best efforts to remove or diminish the effects thereof, provided that the settlement of strikes or other labor disturbances shall be entirely within the discretion of the State.

Remedies

Upon the occurrence of an Event of Default, and as long as the Event of Default is continuing, the Corporation may, at its option, exercise any one or more of the following remedies; provided, however, that there shall be no right under any circumstances to accelerate the maturities of Base Rent payments or to otherwise declare any Base Rent not then past due or in default to be immediately due and payable:

(a) By written notice to the State, request the State to (and the State agrees that it will) promptly return possession of the Financed Facilities to the Corporation, and/or, at the Corporation's option, the Corporation may enter upon the Financed Facilities and take immediate possession thereof, provided, however, the State shall be entitled to ten (10) days to vacate the Financed Facilities premises and conduct its affairs during such time without interference by the Corporation;

(b) Terminate the applicable Lease Purchase Agreement and the option to purchase and sublease or sell its rights to the Financed Facilities (subject to the Ground Lease);

(c) Sublease the Financed Facilities for the account of the State, holding the State liable for all applicable Base Rent and Additional Rent and other payments due during the Lease Term to the effective date of such subleasing and for the difference between the rental and other amounts paid by the sublessee pursuant to such sublease and the amounts payable during the then current Lease Term by the State under the applicable Lease Purchase Agreement; or

(d) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, to enforce the terms of the applicable Lease Purchase Agreement, or to recover damages for the breach of the Lease Purchase Agreement or to rescind the Lease Purchase Agreement as to the Financed Facilities.

Limitation on Obligations

Notwithstanding any other provisions of the Lease Purchase Agreement, no obligation assumed by or imposed upon the Corporation by the Lease Purchase Agreement shall require the performance of any act by the Corporation except to the extent, if any, that the cost and expense of such performance may be paid from the proceeds of the Certificates or from other funds legally available to the Corporation to meet the cost and expense of such performance.

No obligation assumed by or imposed upon the State by the Lease Purchase Agreement shall require the performance of any act by the State, including, but not limited to, the payment of Rent, except to the extent that funds may be available for such performance or payment from State appropriations or other funds legally available therefore. The Lease Purchase Agreement shall not be construed as obligating the State Legislature to make future appropriations for the payment of Rent or the performance of any other obligations under the Lease Purchase Agreement. In the event that appropriated funds are not legally available for payment of Rent or other obligations hereunder, then the Lease Purchase Agreement shall be terminated. The liability of the State for payment of Rent as it becomes due shall be in consideration of the right of the State, whether or not exercised, to occupy and/or use the Financed Facilities.

Defeasance

All Base Rent will be deemed to be paid when:

(a) money or Defeasance Securities or a combination thereof which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient moneys to pay when due the principal and interest on and any other payments (including redemption premiums) in connection with all then outstanding Certificates to the final maturity date thereof or to a date on which such Certificates have been called for prior redemption is irrevocably deposited in trust with a commercial bank with trust powers and irrevocably set aside exclusively to make such payments, and

(b) all reasonable, necessary and proper fees, compensation and expenses of Trustee pertaining to the applicable Lease Purchase Agreement and Trustee's duties in connection therewith and with the Certificates are paid or provided for to the satisfaction of Trustee.

When all Base Rent is deemed paid, as provided above, and Trustee has received the written legal opinion of nationally recognized bond counsel to the effect that the deposit of money or Defeasance Securities in trust will not cause the interest components of Base Rent, thereafter payable from those sources, to be subject to federal income tax under the Internal Revenue Code, the Corporation (and any Certificate holder) will be entitled to payment of that Base Rent solely from that money or the proceeds of those Defeasance Securities and the right, title and interest of the Corporation and Trustee under the Lease Purchase Agreement as to the Financed Facilities shall then cease, terminate and become void, and the State, or its designee shall succeed to all right, title and interest in the Financed Facilities, subject however, to any requirements which shall survive any such termination. The Corporation shall then execute such instruments and undertake all such acts, all at the expense of State including, without limitation, recording fees, transfer taxes if applicable, and reasonable attorneys' fees to evidence transfer of all remaining title interest in the Financed Facilities to State or State's designee.

PART I - APPENDIX B

FORMS OF APPROVING OPINIONS OF SPECIAL COUNSEL

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PART I - APPENDIX C

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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PART I - APPENDIX D

BOOK-ENTRY SYSTEM

The information contained in this Appendix has been extracted from a document prepared by DTC, entitled “SAMPLE OFFICIAL STATEMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE.”

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered Certificates registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate certificate will be issued for each maturity of each series of Certificates, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Certificates to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying agent, or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the State or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificate certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof. The information contained in the website referred to in the preceding material or in any other website referred to therein is not incorporated by reference in this Official Statement.

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PART I - APPENDIX E
OFFICIAL NOTICE OF CERTIFICATE SALE

PART II

INFORMATION CONCERNING THE STATE OF NEVADA

Part II of this Official Statement contains information concerning the State of Nevada (the “State”), including constitutional and statutory authorizations of debt and applicable debt limitations, information related to bonds currently issued and outstanding, as well as bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information, and supplements the information contained in the other parts of this Official Statement. This Official Statement, including the cover, the inside cover pages, Part I and the appendices thereto, this Part II and the appendices hereto, and any financial statements expressly incorporated herein by reference, should be read in its entirety.

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GOVERNMENT STRUCTURE

Nevada's Constitution was approved in 1864 and has been amended from time to time. The Constitution provides for three branches of government: legislative, executive and judicial. The legislative branch is made up of a Senate and an Assembly. State Senators are elected for four-year terms, and members of the State Assembly are elected for two-year terms.

The State Legislature (sometimes referred to herein as the "Legislature") convenes biennially in odd-numbered years ("Regular Sessions"). The most recent 82nd (2023) Regular Session convened on February 6, 2023 and adjourned on June 6, 2023. Special sessions of the State Legislature ("Special Sessions") may be convened by the Governor by proclamation or by the State Legislature by a petition specifying the business to be transacted in the session and signed by two-thirds of the legislators of each house.

There are 21 Senators and 42 members of the Assembly. Nevada's elected Constitutional officers are the Governor, Lieutenant Governor, Secretary of State, Treasurer, Controller, and Attorney General, all of whom are elected for four-year terms. All Constitutional officers are limited to two terms. Supreme Court justices are elected on a non-partisan ballot for six-year terms.

Following are the State's Constitutional officers:

Office	Name	Political Party Affiliation	Term First Commenced	Term Expires
Governor	Joseph Lombardo	Republican	2023	2027
Lieutenant Governor	Stavros Anthony	Republican	2023	2027
Secretary of State	Cisco Aguilar	Democrat	2023	2027
Treasurer	Zachary B. Conine	Democrat	2019	2027
Controller	Andy Matthews	Republican	2023	2027
Attorney General	Aaron Ford	Democrat	2019	2027

The Board of Finance, consisting of the Governor, the Treasurer, the Controller, and two additional members appointed by the Governor, may issue and redeem securities on behalf of the State, when authorized by law, as provided in NRS Sections 349.150 through 349.364.

County governments in Nevada are managed by boards of county commissioners or the equivalent. There are 17 counties in the State (including Carson City, which is an independent city). Cities are governed by general acts, and 13 of the cities are also governed by special charters granted by the State Legislature.

As of August 7, 2023, there were approximately 18,480 permanent and non-permanent (emergency, provisional and temporary) full-time equivalent State employees, excluding employees of the Nevada System of Higher Education, courts, legislature, boards and commissions. Approximately 14,652 State employees are in collective bargaining units and can be represented by the labor organizations that represent the interests of their members.

As a result of Senate Bill 135 ("SB135"), which was signed into law on June 12, 2019 and codified in NRS 288.400, et. seq., collective bargaining for certain State employees began with four labor organizations representing seven of the eleven identified bargaining units. The resulting collective bargaining agreements became effective July 1, 2021. Pursuant to NRS 288, the term of the agreements coincides with the biennial cycle of the Legislature. Under Nevada law, eligible State employees may choose to participate in collective bargaining units but are not required to do so.

DEBT STRUCTURE

Constitutional Debt Limitation

The Constitution of the State (Article 9, Section 3) limits the aggregate principal amount of the State's general obligation debt to 2% of the total reported assessed valuation of the State. The limitation does not apply to general obligation debt that is incurred for the protection and preservation of any property or natural resources of the State or for the purpose of obtaining the benefits thereof. The limitation does not apply to revenue bonds or contingent liabilities, nor does it apply to lease purchase arrangements, such as the Series 2023 Certificates, the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds, more fully described in Note 9 to the State's Annual Comprehensive Financial Report for FY 2022 (excluding the Introductory Section and Statistical Section) included in Appendix A to this Part II (the "2022 State ACFR") and under the heading "DEBT STRUCTURE — Lease-Backed Financings" in this Part II. Such lease obligations are not considered debt under the Constitution and State law.

Subject to the State's constitutional debt limitation, the State Legislature may authorize the issuance of bonds or other securities by the State or any of its departments, divisions, agencies, political subdivisions, or other governmental agencies for any public purpose. It has been the general practice of the State Legislature to authorize the issuance of bonds and other securities by a special act in a maximum principal amount for a specified project or projects, rather than by general act for a number of general purposes.

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval.

Debt limitation information is reported in Table 1. The assessed valuation amount effective as of June 30 of a particular year is used for purposes of determining property taxes and the applicable debt limitation for the following fiscal year. The assessed valuation constitutes 35% of the taxable value of all taxable property within the State and may be adjusted from time to time during the course of a fiscal year, and if the assessed valuation is so adjusted, the debt limitation would also be adjusted. The assessed valuation effective as of June 30, 2023 set forth in Table 1 is the most current final assessed value available and will be applicable for determining the debt limitation during FY 2024, subject to adjustment as described above. See "PROPERTY TAXATION" in this Part II.

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The assessed valuation set forth in Table 1 effective as of June 30 of a particular year corresponds to the assessed value set forth in Table 4 for the following fiscal year (the fiscal year to which the June 30 assessed valuations apply), adjusted for state-wide redevelopment agency assessed valuations, which are included in the assessed valuation amount in Table 1 but are excluded from the assessed value amount in Table 4.

Table 1
Constitutional Debt Limitation⁽¹⁾

Effective June 30	Assessed Valuation⁽²⁾	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2020	\$144,323,763,007	\$2,886,475,260	\$981,760,000	\$1,904,715,260
2021	151,219,706,042	3,024,394,121	945,445,000	2,078,949,121
2022	167,128,835,758	3,342,576,715	1,008,875,000	2,333,701,715
2023	192,287,425,959	3,845,748,519	911,540,000	2,934,208,519
2024	192,287,425,959 ⁽³⁾	3,845,748,519	901,465,000 ⁽⁴⁾	2,944,283,519

(1) Excludes bonds, contingent liabilities, and lease purchase arrangements not subject to the constitutional debt limit, see “DEBT STRUCTURE—Security for State General Obligation Bonds” in this Part II.

(2) For purposes of calculating the State’s debt limitation on June 30 of each year, the assessed valuation figures include state-wide redevelopment agency assessed valuations in the amounts of: 2020 - \$4,567,271,105, 2021 - \$4,956,051,681, 2022 - \$5,759,969,136, 2023 & 2024 - \$6,809,479,988. On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year.

(3) The assessed valuation as certified by the Nevada Tax Commission on June 26, 2023 and reported by the State Department of Taxation.

(4) Debt outstanding as of September 1, 2023.

Source: State of Nevada Controller’s Office.

Security for State General Obligation Bonds

General obligation bonds of the State are direct general obligations of the State to which the full faith and credit of the State are pledged. General obligation bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See “DEBT STRUCTURE—Constitutional Debt Limitation” and “PROPERTY TAXATION—Property Tax Limitations” in this Part II. The tax is required to be levied annually as necessary until all of the State’s general obligation bonds and the interest thereon are discharged and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State are required to be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. The State is also permitted by law to apply any other funds that may be available for that purpose to make payments on general obligation bonds. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service, and if the State has not applied other available funds to such purpose, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund to pay general obligation bond debt service, to be repaid from future available property taxes. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5 per \$100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to \$3.64 per \$100 of assessed valuation. The State’s current levy for general obligation debt is \$0.17 per \$100 of assessed valuation. A portion of this levy, \$0.0082 per \$100 of assessed valuation, must be used exclusively for

bonds issued for purposes described under the heading “DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—Authorizations for General Obligation Bonds that are Not Categorized as Self-Supporting—Open Space, Cultural, and Natural Resource Projects.” The State Legislature has exempted \$0.02 per \$100 of the \$0.17 per \$100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in this Part II. The State has the ability to raise its levy for the general obligation bonds within the constraints of the State’s constitutional cap by legislative action. See “PROPERTY TAXATION—Property Tax Limitations” in Part II of this Official Statement.

State law provides that the faith of the State be pledged, and that any law concerning State general obligation bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of general obligation bonds of the State to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not generally levy state-wide property taxes to pay general obligation bonds that are self-supporting bonds. Self-supporting bonds include (i) wholly self-supporting bonds, which are general obligation bonds that are expected to be paid in whole from revenues other than the state-wide property tax and (ii) with respect to partially self-supporting bonds, which are general obligation bonds only a portion of which is expected to be paid from revenues other than the state-wide property tax, just the portion of such bonds expected to be paid from such other revenues.

Self-supporting bonds are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to state-wide property tax receipts and the State’s General Fund as other general obligation bonds of the State. If ad valorem tax receipts are insufficient to make payments on all bonds as a result of a failure of self-supporting bonds to generate sufficient revenues, the State will borrow the shortfall from the General Fund as described above. The availability of borrowing from the General Fund to make payments on general obligation bonds provides time for the State Legislature to legislatively adjust the ad valorem property tax rates if needed. If an increase in the State’s ad valorem property tax rate results in overlapping taxes exceeding the current statutory maximum of \$3.64 per \$100 of assessed valuation (which maximum can also be legislatively adjusted upward subject to the constitutional limit of \$5.00 per \$100 of assessed valuation), the taxes levied are given a priority for payment of general obligation bonds, and revenue shortfalls resulting from the application of the overlapping property tax cap are allocated to other purposes. See “PROPERTY TAXATION—Property Tax Limitations” in this Part II.

Outstanding General Obligation Bonds

Certain general obligation indebtedness of the State is subject to the State’s constitutional debt limitation and certain general obligation indebtedness of the State is exempt from the State’s constitutional debt limitation. Table 2 identifies separately those bonds that are subject to the limitation and those bonds that are exempt from the limitation. See “DEBT STRUCTURE—Constitutional Debt Limitation” in this Part II for a discussion of the State’s constitutional debt limitation, and bonds included and excluded therefrom.

General obligation bonds that are categorized as wholly self-supporting bonds are identified by a single asterisk in Table 2 and general obligation bonds that are categorized as partially self-supporting bonds are identified by a double asterisk in Table 2. The outstanding balance of self-supporting bonds is identified in a subgroup in Table 2 under the heading “Self-Supporting Debt Outstanding.”

Table 2 presents information as of September 1, 2023 and does not include approximately [\$507 million] in aggregate principal amount of general obligation bonds expected to be issued by the State in November 2023. See also “DEBT STRUCTURE—Security for State General Obligation Bonds” in this Part II.

Table 2
Outstanding General Obligation Bonds⁽¹⁾
As of September 1, 2023

	Subject to Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
	Capital Improvement and Cultural Affairs Bonds	04/22/14	A	\$51,385,000	\$22,015,000
*	University System Projects Bonds	03/10/15	A	78,335,000	50,785,000
	Capital Improvement and Cultural Affairs Refunding Bonds	03/10/15	B	192,950,000	155,150,000
**	Capital Improvement and Refunding Bonds	11/04/15	D	248,935,000	153,940,000
	Capital Improvement and Cultural Centers Bonds	11/09/16	C	35,180,000	28,650,000
**	Capital Improvement Bonds	11/07/17	A	85,635,000	55,620,000
**	Capital Improvement and Historic Preservation Bonds	11/01/18	A	57,100,000	45,825,000
**	Capital Improvement and Refunding Bonds	12/10/19	A	154,995,000	103,475,000
	Capital Improvement, Historic Preservation, and Refunding Bonds	11/10/20	A	103,825,000	94,085,000
	Capital Improvement and Refunding Bonds	12/07/21	A	118,030,000	106,190,000
	Open Space, Parks, and Natural Resources Bonds	12/07/21	D	6,315,000	5,830,000
	Taxable State Infrastructure Bank Bonds	05/10/22	A	40,000,000	32,395,000
	Taxable State Infrastructure Bank Bonds (Social Bonds)	05/10/22	B	35,000,000	28,345,000
	Capital Improvement and Historic Preservation Bonds	12/06/22	D	19,760,000	19,160,000
	TOTAL SUBJECT TO CONSTITUTIONAL DEBT LIMIT				\$901,465,000

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Exempt from Constitutional Debt Limitation		Date	Series	Original Amount	Outstanding
*	Municipal Bond Bank Project Nos. 80, 81, 82 and 83	03/22/12	A	\$25,445,000	\$880,000
**	Natural Resources Refunding Bonds	03/22/12	C	25,510,000	525,000
*	Municipal Bond Bank Project Nos. 84, 85, and 86	02/20/13	A	23,505,000	180,000
**	Natural Resources Refunding Bonds	04/09/13	F-1	13,210,000	410,000
**	Natural Resources and Refunding Bonds	04/22/14	B	5,580,000	1,815,000
	Open Space, Parks, and Natural Resources Bonds	04/22/14	C	2,185,000	1,300,000
*	Colorado River Commission Hoover VC/Air Slots Bonds	06/24/14	E	29,475,000	24,415,000
**	Natural Resources Refunding Bonds	03/10/15	C	21,340,000	13,085,000
**	Natural Resources and Refunding Bonds	11/04/15	E	22,595,000	7,610,000
*	Municipal Bond Bank Project Nos. 87, 88, and 89	11/04/15	F	47,305,000	34,230,000
	Open Space, Parks, and Natural Resources and Refunding Bonds	11/04/15	G	9,350,000	5,670,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	11/04/15	H	10,845,000	3,880,000
	Natural Resources and Refunding Bonds	11/09/16	D	13,610,000	9,445,000
**	Natural Resources and Refunding Bonds	11/07/17	B	5,890,000	4,330,000
	Open Space, Parks, and Natural Resources and Refunding Bonds	11/07/17	C	7,940,000	6,010,000
*	Municipal Bond Bank Project No. 90	11/07/17	D	6,000,000	4,950,000
*	Safe Drinking Water Revolving Fund Matching Bonds	11/07/17	E	6,215,000	4,355,000
*	Safe Drinking Water Revolving Fund Matching Bonds	12/10/19	C	5,360,000	1,070,000
*	Water Pollution Control Revolving Fund Matching Bonds	12/10/19	D	5,375,000	3,315,000
*	Water Pollution Control Revolving Fund Leveraged Bonds	12/10/19	E	25,445,000	22,805,000
**	Natural Resources and Refunding Bonds	11/10/20	B	2,750,000	2,450,000
	Natural Resources Bonds	12/07/21	B	12,465,000	4,360,000
	Open Space, Parks, and Natural Resources Bonds	12/07/21	C	7,340,000	6,860,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	12/07/21	E	5,850,000	4,960,000
*	Water Pollution Control Revolving Fund Matching Bonds	12/07/21	F	4,560,000	2,485,000
	Natural Resources Bonds	12/06/22	E	6,705,000	4,450,000
	Open Space, Parks, and Natural Resources Bonds	12/06/22	F	4,835,000	4,710,000
*	Safe Drinking Water Revolving Fund Matching Bonds	12/06/22	G	5,625,000	4,650,000
*	Water Pollution Control Revolving Fund Matching Bonds	12/06/22	H	5,720,000	5,105,000
*	Water Pollution Control Revolving Fund Leveraged Bonds	12/06/22	I	4,885,000	3,095,000
TOTAL EXEMPT FROM CONSTITUTIONAL DEBT LIMIT					\$193,405,000

GROSS GENERAL OBLIGATION BONDED DEBT (GROSS DIRECT DEBT)			\$ 1,094,870,000
LESS: Self-Supporting Debt Outstanding			
*	Colorado River Commission Hoover Upgrading Bonds	24,415,000	
*	Municipal Bond Bank Bonds	40,240,000	
*	Safe Drinking Water Act Revolving Fund Bonds	18,915,000	
*	University System Bonds	50,785,000	
*	Water Pollution Control Revolving Fund Bonds	36,805,000	
**	Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Tax	56,689,000	
TOTAL SELF-SUPPORTING DEBT			\$ 227,849,000
NET DIRECT DEBT			\$ 867,021,000

* Bonds that are wholly self-supporting bonds. The State believes the program revenues will be sufficient to pay debt service on the entire outstanding amount of such bonds; if they are not, the State is obligated to pay the difference between the program revenues and the debt service requirements of the bonds from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund.

** Bonds that are partially self-supporting bonds. A portion of each of these bonds is self-supporting and expected to be paid in part from revenues other than state-wide property taxes. If such revenues are insufficient to pay their expected portion of the debt service, the State is obligated to pay the insufficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund. The portions of those bonds which are self-supporting bonds are included in the line item "Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Taxes" under the heading "Self-Supporting Debt Outstanding" in Table 2.

(1) Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II.

Source: State of Nevada Treasurer.

Debt Service on General Obligation Bonds

The following Table reports the debt service requirements for all of the State's outstanding general obligation bonds, including the debt service requirements for the self-supporting bonds.

This Table presents information as of September 1, 2023 and does not include approximately [\$507 million] in aggregate principal amount of general obligation bonds expected to be issued by the State in November 2023. See Table 9 for the annual debt service requirements for only the State's outstanding general obligation bonds expected to be paid from state-wide property taxes.

Table 3
Annual Debt Service Requirements⁽¹⁾
(As of September 1, 2023)

Fiscal Year	General Obligation Bonds (Not Self-Supporting)		General Obligation Bonds (Self-Supporting)		Grand Total
	Principal	Interest	Principal	Interest	
2024	\$113,044,000	\$35,050,405	\$5,621,000	\$6,176,044	159,891,450
2025	112,617,000	29,868,885	19,188,000	8,455,155	170,129,040
2026	118,027,000	24,219,317	17,923,000	7,589,020	167,758,337
2027	123,365,000	18,618,969	20,880,000	6,759,205	169,623,174
2028	37,778,000	14,059,921	21,212,000	5,813,630	78,863,551
2029	40,700,000	12,364,588	20,365,000	4,921,880	78,351,468
2030	32,380,000	10,529,238	18,940,000	4,145,796	65,995,034
2031	33,250,000	9,118,819	19,290,000	3,480,911	65,139,729
2032	34,320,000	7,776,844	19,650,000	2,816,594	64,563,438
2033	35,585,000	6,503,619	17,695,000	2,153,288	61,936,906
2034	34,175,000	5,245,859	10,730,000	1,664,438	51,815,297
2035	35,080,000	4,193,628	10,380,000	1,290,463	50,944,091
2036	28,405,000	3,127,919	6,650,000	943,456	39,126,375
2037	28,465,000	2,314,519	6,500,000	710,719	37,990,238
2038	19,280,000	1,483,944	3,975,000	478,175	25,217,119
2039	19,800,000	954,006	1,600,000	344,925	22,698,931
2040	10,255,000	487,600	1,330,000	279,863	12,352,463
2041	10,495,000	246,900	1,390,000	222,063	12,353,963
2042	-	-	1,450,000	161,713	1,611,713
2043	-	-	1,510,000	98,813	1,608,813
2044	-	-	1,570,000	33,363	1,603,363
Total	\$ 867,021,000	\$ 186,164,980	\$ 227,849,000	\$ 58,539,510	\$ 1,339,574,490

⁽¹⁾ Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II. Numbers may not foot due to rounding.

Source: State of Nevada Treasurer.

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The following table reports statistical and debt ratio information for the FY 2020, 2021, 2022, 2023 and 2024.

Table 4
Direct General Obligation Debt Ratios

Fiscal Year Ended June 30	2020	2021	2022	2023	2024
Population	3,165,923	3,206,189	3,221,557	3,242,856	3,289,519 ⁽⁷⁾
Assessed Value (000) ⁽¹⁾⁽²⁾	\$130,090,686	\$139,756,492	\$146,263,654	\$161,368,867	\$185,477,946
Taxable Value (000) ⁽¹⁾⁽²⁾	\$371,687,674	\$399,304,263	\$417,896,154	\$461,053,906	\$529,936,989
Gross Direct GO Debt (000) ⁽³⁾⁽⁵⁾	\$1,283,145	\$1,210,570	\$1,258,830	\$1,132,610	\$1,094,870 ⁽⁶⁾
Gross GO Debt Relative to:					
Per Capita	405	378	391	349	333
Percent of Assessed Value	0.99%	0.87%	0.86%	0.70%	0.59%
Percent of Taxable Value	0.35%	0.30%	0.30%	0.25%	0.21%
Net Direct GO Debt (000) ⁽⁴⁾⁽⁵⁾	\$933,706	\$887,058	\$991,790	\$891,191	\$867,021
Net Direct GO Debt Relative to:					
Per Capita	295	277	308	275	264
Percent of Assessed Value	0.72%	0.63%	0.68%	0.55%	0.47%
Percent of Taxable Value	0.25%	0.22%	0.24%	0.19%	0.16%

⁽¹⁾ The assessed value set forth in Table 4 corresponds to the assessed value set forth in Table 5.

⁽²⁾ See “PROPERTY TAXATION—Property Tax Base and Tax Roll Collection” in this Part II for an explanation of Assessed Value and Taxable Value. The assessed valuation of the Redevelopment Agencies is not used in calculation of debt ratios because they are not subject to State taxation for retirement of general obligation bond debt except for debt approved by the voters after 1996.

⁽³⁾ Gross Direct General Obligation Debt includes all State general obligation bonds, including the self-supporting bonds.

⁽⁴⁾ Net Direct General Obligation Debt does not include the self-supporting bonds.

⁽⁵⁾ Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see “DEBT STRUCTURE—Constitutional Debt Limitation” in this Part II.

⁽⁶⁾ Debt outstanding as of September 1, 2023.

⁽⁷⁾ FY 2024 projections are from the most recent Five-Year Projections Based on the March 2023 Estimated report, Office of the State Demographer for Nevada.

Note: In a new year, the only table that reports the coming FY assessed value is Table 1. All other tables use the current fiscal year assessed value, and in the case of Table 4, the current year projected population. This is because the gross direct debt is as of a current fiscal year date.

Source: State of Nevada Controller’s Office.

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Authorized But Unissued General Obligation Bonds

Authorizations for General Obligation Bonds That Are Not Categorized as Self-Supporting

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval. As of September 1, 2023, the State was authorized to issue the general obligation bonds described in the following paragraphs under this subheading that will be payable solely from property taxes.

Water System Projects

NRS 349.986 authorizes the issuance of general obligation securities for the purpose of providing grants to purveyors of water, subject to a limit of \$125,000,000 in principal amount outstanding at any one time, of which \$19,531,000 is currently outstanding. The amount currently available to be issued is \$105,469,000.

Lake Tahoe Basin Projects

The State Legislature, for the purpose of carrying out certain environmental improvement projects for the Lake Tahoe Basin provided for by the State, authorized in 2009 the issuance of general obligation bonds in the amount of \$100,000,000, of which \$27,335,000 has been issued.

Capital Improvement Projects

The 2021 State Legislature authorized in AB492 Sec. 4, \$280,630,853 in general obligation bonds for capital improvement projects, of which \$115,090,000 has been issued.

The 2023 State Legislature, 34th Special Session, authorized in AB1 Sec. 6, \$533,695,336 in general obligation bonds for capital improvement projects.

The 2023 State Legislature, 34th Special Session, authorized in AB1 Sec. 29, \$100,000,000 in general obligation bonds for capital improvement projects for the Legislative Counsel Bureau.

The State expects to issue approximately [\$455,530,000] in general obligation bonds to finance capital improvement projects under this authority in November 2023.

Cultural Centers and Historic Preservation Projects

NRS 383.530 authorizes the issuance of up to \$3,000,000 in general obligation bonds annually to provide financial assistance to governmental entities and nonprofit corporations formed for educational or charitable purposes, including, without limitation, the preservation or promotion of cultural resources.

Open Space, Cultural and Natural Resource Projects

The 2019 State Legislature authorized in AB84, \$217,500,000 in general obligation bonds to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State, of which approximately \$18,490,000 has been issued.

The State expects to issue approximately [\$45,505,000] in general obligation bonds to finance open space, parks, and natural resource projects under this authority in November 2023.

Interim Debentures for General Operations

SB4 adopted in the 31st Special Session authorizes the State Board of Finance to issue general obligation interim debentures and special obligation interim debentures for the purpose of paying for the general operations of the State if specified conditions are met, provided that the aggregate principal amount of any such interim debentures

outstanding at one time cannot exceed \$150,000,000. This bill was effective on July 17, 2020, and expired on June 30, 2021. However, SB47 adopted in the 81st (2021) Regular Session removed the expiration date, thereby authorizing the issuance of such interim debentures on or after July 1, 2021.

Nevada Infrastructure Bank

AB399 adopted in the 79th (2017) Regular Session created the Nevada State Infrastructure Bank (“Infrastructure Bank”) to provide loans and other financial assistance to various units of state and local government for the development, construction, repair, improvement, maintenance, decommissioning, operation and ownership of certain transportation facilities and utility infrastructure. SB430 adopted in the 81st (2021) Regular Session established the effective date of the Infrastructure Bank as July 1, 2021 and expanded the types of facilities for which the Infrastructure Bank is authorized to provide loans or other financial assistance to include water and wastewater infrastructure, renewable energy infrastructure, recycling and sustainability infrastructure, digital infrastructure, social infrastructure and other infrastructure related to economic development. SB430 also authorized the Infrastructure Bank to provide loans and financial assistance to Indian Reservations, Indian Colonies and private nonprofit entities created for charitable and educational purposes.

AB492 adopted in the 81st (2021) Regular Session authorized the issuance of not more than \$75 million of general obligation bonds for the purposes described in NRS 408.55048 to 408.55088, as amended by SB430. No unissued authority remains at this time.

Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting

In addition to the authorizations previously described, the State is authorized to issue general obligation bonds that are payable from property taxes but are expected to be paid from sources other than property taxes, including bonds payable from water and power sales and bonds payable from loan repayments by municipalities (referred to herein as self-supporting bonds). The principal amount of self-supporting bonds outstanding is set forth in Table 2 under the heading “Self-Supporting Debt Outstanding.” Substantial additional amounts of self-supporting bonds are expected to be issued in the future. Following are brief summaries of the major State programs that have authority to obligate the State’s general obligation credit for revenue generating self-supporting programs.

Nevada Municipal Bond Bank

The State’s Bond Bank Program (the “Bond Bank Program”) was established to assist municipalities in undertaking local projects that foster and promote the protection and preservation of the property and natural resources of the State by making loans that might not be otherwise available to such municipalities or that might be available only at prohibitive interest rates. State general obligation securities issued for the Bond Bank Program are not subject to the Constitutional debt limit described under “DEBT STRUCTURE—Constitutional Debt Limitation” in this Part II. NRS Chapter 350A (the “Bond Bank Act”) provides a statutory limitation of \$1.8 billion of State general obligation securities which may be outstanding at any time to finance loans to municipalities. This limit may be increased or decreased by the State Legislature. The Board of Finance must approve the issuance of State general obligation and revenue securities under the Bond Bank Act. The outstanding principal amount of State general obligation securities issued under the Bond Bank Act was \$40,240,000 as of September 1, 2023. State general obligation bonds issued pursuant to the Bond Bank Act are considered by the State to be self-supporting, as described under the heading “DEBT STRUCTURE—Outstanding General Obligation Bonds” in this Part II. Nevertheless, if revenues from the Bond Bank payers described below are insufficient to pay amounts due with respect to such bonds, the State is obligated to pay any deficiency from state-wide property taxes or to borrow from the State’s General Fund as described in this Part II under the heading “DEBT STRUCTURE—Security for State General Obligation Bonds.”

Water Pollution Control Revolving Fund

The State has established an enterprise account to provide a source of funds to make loans or to provide other assistance for certain water pollution control projects and for related purposes authorized under the State revolving loan fund provisions of the federal Clean Water Act (the “Pollution Control Projects Account”). Funding for this program (the “Pollution Control Program”) is provided primarily through federal capitalization of grant money made

available to the State, receipt of which is conditioned on the State's providing approximately 20% matching funds. Funds in the Pollution Control Projects Account are generally used to make loans at or below market rates to municipal recipients for purposes of paying for costs of designing and constructing publicly owned treatment works. Funds loaned to municipal recipients for eligible projects are repaid into the Pollution Control Projects Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Pollution Control Projects Account are also permitted to be applied to pay certain costs of operating the Pollution Control Program.

The Director of the State Department of Conservation and Natural Resources, with the approval of the Director of the State Governor's Finance Office, is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Pollution Control Projects Account. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the municipal borrowers. The State has considered bonds previously issued for purposes of the Pollution Control Program to be self-supporting because State bonds issued for purposes of the Pollution Control Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Pollution Control Program.

Safe Drinking Water Revolving Fund

The State has established an enterprise account to provide a source of funds to make loans or to provide other assistance for certain drinking water projects and for related purposes authorized under the State revolving loan fund provisions of the federal Safe Drinking Water Act (the "Revolving Fund Account"). Funding for this program (the "Public Water System Program") is provided in a manner similar to that of the Pollution Control Program. Funds in the Revolving Fund Account are generally used to make loans to municipal recipients at or below market rates for purposes of paying for costs of designing and constructing public water systems. Funds loaned to municipal recipients for eligible projects are repaid into the Revolving Fund Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Revolving Fund Account are also permitted to be applied to pay certain costs of operating the Public Water System Program.

The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Revolving Fund Account or to provide money from the State to match federal grants as required by the federal Safe Drinking Water Act. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the borrowers. The State has considered bonds previously issued for purposes of the Public Water System Program to be self-supporting because State bonds issued for purposes of the Public Water System Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Public Water System Program.

The State expects to issue approximately [\$6,000,000] in general obligation bonds under this authority in November 2023.

Marlette Lake Water System

The State has established the Marlette Lake Water System, made up of water rights, easements, pipelines and related items acquired by the State and used in connection with the collection, transmission and storage of water in Carson City, Washoe County and Storey County. The Marlette Lake Water System was created to provide adequate supplies of water to the areas served, to maintain the system to assure dependable supplies of water, and to sell water under equitable and sound arrangements.

The Director of the Governor's Finance Office may request the State Board of Finance to issue general obligation bonds of the State or revenue bonds in an aggregate principal amount not to exceed \$25,000,000 to finance the capital costs of improving and modernizing the Marlette Lake Water System. The aggregate amount of bonds currently available to be issued is \$15,335,000.

Nevada System of Higher Education

The 2013 State Legislature authorized in AB501, Sec. 2 the issuance of \$85,000,000 of general obligation bonds to finance capital improvements at the University of Nevada, Las Vegas and University of Nevada, Reno campuses. The State imposes a \$250 annual excise tax on each slot machine operated in the State. In each year 20% of the receipts of this excise tax are to be deposited in a Special Capital Construction Fund for Higher Education (after depositing the first \$5,000,000 of receipts of this excise tax in a Capital Construction Fund for Higher Education). Amounts in the Special Capital Construction Fund for Higher Education are appropriated on July 31 of each year in the amount necessary (if available) to pay the principal of and interest due in that fiscal year on outstanding bonds. The authorized but unissued amount currently available is \$6,665,000.

Colorado River Commission

The 2013 State Legislature authorized in SB438 the issuance by the Colorado River Commission of up to \$35,000,000 of bonds for the purpose of prepaying the cost of electrical capacity and energy generated by Hoover Dam, or for the purpose of paying, financing or refinancing a portion of the capital costs which contribute to the ongoing costs of electrical capacity and energy generated from Hoover Dam. The obligations may be either general obligations payable from taxes and additionally secured with pledged revenue, special obligations payable from pledged revenue, or any combination of the foregoing. The amount currently available to be issued is \$5,525,000.

Capital Improvement Projects

The 2023 State Legislature, 34th Special Session, authorized in AB1 Sec. 8, \$111,304,685 in general obligation bonds for DMV capital improvement projects.

Economic Development Projects

During the 29th (2015) Special Session, the State authorized under SB1 general obligation bonds for eligible infrastructure projects, including drainage, electrical, rail, sanitary sewer, transportation, fire protection, wastewater and water projects. A local government may submit an economic development financing proposal for qualified projects to the Office of Economic Development for approval for financing under this program. On or after July 1, 2017, the State Legislature or the Interim Finance Committee must also approve the proposal. Up to \$175,000,000 in bonds may be issued for each approved proposal, and the total amount of the bonds outstanding for all the projects must not exceed \$200,000,000. The local government must create tax increment areas or special districts and pledge the revenue from such districts or areas for the repayment of the bonds. The amount currently available to be issued under this authorization is \$200,000,000.

Lease-Backed Financings

The Nevada Real Property Corporation is a public not-for-profit corporation that issued certificates of participation in 2004 to finance a State office building project (the “2004 Capitol Complex Building 1 Certificates”), an additional series of certificates of participation in 2004 to finance a State correctional facility (the “2004 Casa Grande Certificates”) and another series of certificates of participation in 2006 to finance a State printing office building (the “2006 LCB Certificates”). In 2013, the State’s Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project) Series 2013 (the “Refunded Capitol Complex Project Certificates”) and the State’s Lease Revenue Refunding Certificates of Participation (Casa Grande Project) Series 2013 (the “Refunded Casa Grande Project Certificates”) were issued to refund the entire outstanding balance of the 2004 Capitol Complex Building 1 Certificates and the 2004 Casa Grande Certificates, respectively, and another series was issued to finance a new project for the benefit of Nevada State College (the “Refunded Nevada State College Project Certificates”). In 2016, the 2016 LCB Refunding Certificates were issued to refund the entire outstanding balance of the 2006 LCB Certificates. As of September 1, 2023, the Refunded Capitol Complex Project Certificates are outstanding in the aggregate principal amount of \$10,360,000, the Refunded Casa Grande Project Certificates are outstanding in the aggregate principal amount of \$9,725,000, the Refunded Nevada State College Project Certificates are outstanding in the aggregate principal amount of \$42,720,000, and the 2016 LCB Refunding Certificates are outstanding in the aggregate principal amount of \$1,167,000. The Series 2023 Certificates are being issued to refund the outstanding

Refunded Capitol Complex Project Certificates, Refunded Casa Grande Project Certificates, and Refunded Nevada State College Project Certificates.

The facilities so financed (or refinanced) are being leased to the State at rents calculated to be sufficient to pay the certificates of participation. The certificates of participation (and the underlying lease purchase arrangements with the State) are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The State's obligations to pay base rent and make other payments under the lease purchase arrangements are subject to appropriation by the State.

PROPERTY TAXATION

Property Tax Base and Tax Roll Collection

County assessors are responsible for assessments of all properties in the counties except for property centrally assessed by the State and except for exempted property. In 1981, the State Legislature determined that a just valuation of real property should no longer be based strictly on the full cash value of the total property. Instead, the value of real property was bifurcated into two components: full cash value of the land and replacement cost new less depreciation of the improvements, with the rate of depreciation set by statute. The resulting "taxable value" must not exceed the full cash value of the entire property (NRS 361.227). Full cash value is defined as "the most probable price which property would bring in a competitive and open market under all conditions requisite for a fair sale" (NRS 361.025).

Replacement cost new less depreciation for real property improvements is determined by reference to a national costing service or similar sources for replacement cost. Depreciation is then subtracted from the replacement cost at a set rate of 1.5% of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years (NRS 361.227(1)(b)). Depreciation of improvements is therefore no greater than 75% for improvements 50 years old or older. Assessors then add the full cash value of land to the replacement cost new less depreciation of improvements to derive a total taxable value. The full cash value of the land is determined by applying the sales comparison approach, if there are sufficient sales, or alternative methods if there are insufficient sales (Nevada Administrative Code ("NAC") 361.118; 361.119). In communities where little growth in land value is experienced, the total assessed value may go down as a result of the statutory rate of depreciation.

Replacement cost new less depreciation for personal property is based on the taxpayer's reported acquisition cost less depreciation. Depreciation is determined using tables published by the Department of Taxation and approved by the Nevada Tax Commission. Depreciation rates vary depending on the life of the asset, but in general a declining balance method of depreciation is applied with a 5% residual (NAC 361.1375).

If the taxable value of any property so derived exceeds the full cash value of the property, then Nevada law requires the appraiser to measure the additional obsolescence and reduce the taxable value downward (NRS 361.227(5)). The appraiser may use the comparative sales approach, the income approach, and the cost summation approach to measure the amount of obsolescence present.

Assessors apply the sales comparison approach using mass appraisal techniques to establish the land values for various classifications of property, such as residential, commercial, or industrial properties. Land values also vary by location and other market conditions. For instance, foreclosure sales can affect the values established by county assessors if they become a large proportion of the overall number of sales of comparable properties causing downward pressure on sales prices of similarly situated properties.

In Nevada, NRS 361.225 requires that all property subject to taxation be assessed at 35% of its taxable value. Restating the formula expressed in NRS 361.225: Taxable Value x Level of Assessment = Assessed Value. For example, if the taxable value of a single family residence is \$200,000, the assessed value is \$70,000 (\$200,000 x 0.35 = \$70,000).

Property that cross State or county lines, such as railroads, commercial airlines, and utilities are centrally assessed by the State. Property owned by the federal government is exempt from State taxation. In addition, the State

Legislature has provided for the exemption of certain types of properties. For instance, property owned by the State and its political subdivisions, or certain enumerated religious, charitable and educational organizations, is exempt. The total land area of the State that is exempted from property tax is approximately 81.2%. In addition, certain household goods and furniture, business inventories, personal property in transit, property used for the control of air or water pollution, and unpatented mining claims, are exempt, among others.

The following Table provides a record of the change in assessed valuation by county within the State during FY 2020-2024. As shown in Table 5, assessed valuations increased in FY 2020 through FY 2024.

Table 5⁽¹⁾
County Assessed Valuations
(35% of Taxable Value)

County	2020	2021	2022	2023	2024 ⁽²⁾
Carson City	\$1,666,547,892	\$1,814,811,670	\$1,799,198,563	\$2,075,625,383	2,332,697,425
Churchill	869,263,253	895,312,015	926,262,132	970,660,762	1,175,483,570
Clark	92,239,056,371	99,962,719,089	103,215,191,148	115,981,318,714	132,090,463,013
Douglas	3,325,384,336	3,538,641,085	3,664,516,681	3,994,970,231	4,640,874,683
Elko	2,183,998,632	2,307,887,553	2,529,304,538	2,369,199,810	2,498,944,791
Esmeralda	66,608,464	120,193,550	97,542,476	98,289,312	194,159,347
Eureka	1,220,871,907	1,208,149,464	1,936,571,803	1,703,378,514	1,577,791,095
Humboldt	1,259,675,966	1,421,877,282	1,888,368,432	1,686,653,201	1,637,371,105
Lander	1,887,857,499	1,602,462,246	1,534,595,705	1,370,456,228	1,350,901,008
Lincoln	290,726,134	290,075,392	304,038,163	306,573,341	315,023,149
Lyon	2,064,010,723	2,273,021,391	2,417,992,311	2,764,911,430	3,083,725,885
Mineral	232,583,403	229,822,634	259,850,454	266,676,164	290,198,000
Nye	2,248,151,058	2,196,383,282	2,311,658,811	2,176,704,827	2,241,880,703
Pershing	339,553,990	328,601,056	332,605,301	368,898,192	384,514,450
Storey	1,178,862,581	1,549,397,544	1,798,426,195	2,957,123,851	2,802,786,720
Washoe	18,398,773,380	19,346,366,369	20,550,253,841	21,487,837,028	28,178,020,257
White Pine	618,760,105	670,770,280	697,277,807	789,589,634	683,110,768
TOTAL	\$130,090,685,694	\$139,756,491,902	\$146,263,654,361	\$161,368,866,622	185,477,945,971
Percent Change	8.56%	7.43%	4.66%	10.33%	14.94%

(1) ⁽¹⁾ Includes net proceeds of minerals but excludes state-wide redevelopment agency fiscal year assessed valuation used for taxation purposes in the amounts of: 2020 - \$4,037,658,208, 2021 - \$4,567,271,105 and 2022 - \$4,956,051,681, 2023 - \$5,759, 969,136, and 2024 - \$6,809,479,988.

(2) Assessed valuation certified June 26, 2023 and reported by the State Department of Taxation.

Source: Property Tax Rates for Nevada Local Governments – State of Nevada – Department of Taxation.

County treasurers are responsible for the collection of property taxes and for the distribution of collections to the overlapping taxing entities within the county, including the State. Counties distribute property taxes when collected. The bulk of the property taxes are collected and distributed on a quarterly basis. Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in four installments, in which case the taxes can be paid in approximately equal installments on or before the third Monday in August and the first Mondays in October, January and March. Penalties are assessed if any taxes are not paid within 10 days after the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event the taxes remain delinquent as of the first Monday in June, the county treasurer is authorized to hold the property in trust for the benefit of the State and the county for two years, subject to redemption upon payment of taxes, penalties, interest and costs. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property in trust for the use and benefit of the State and county and any officers having fees due them. Upon receipt of a deed, the county treasurer may sell the property after giving notice of sale. Upon order of the board of county commissioners, the property cannot be sold for a total amount less than the amount of the taxes, costs, penalties and interest legally chargeable against the property. As an alternative remedy with respect to certain delinquencies over \$1,000, the county's district attorney may, and shall when directed by the board of county

commissioners, commence a judicial foreclosure action against the delinquent taxpayer before the expiration of the two-year redemption period.

The assessed valuations of the ten largest owners of taxable property in the State for FY 2023 are listed in the following Table. However, the percentages listed below may not correlate to the actual amount of property tax paid by these entities due to abatement and other factors.

Table 6
Ten Largest Taxable Property Owners
(FY 2023)

	Taxpayer	Type of Business	Assessed Valuation⁽¹⁾ (35% of Taxable Value)	Percent of Total State Assessed Valuation⁽²⁾
1.	VICI Properties Inc.	Real Estate/Hotel/Casino	\$ 4,074,913,777	2.44%
2.	NV Energy	Utility	2,564,580,100	1.53
3.	The Blackstone Group	Real Estate	1,988,609,070	1.19
4.	Nevada Gold Mines LLC	Mining	1,373,221,595	.82
5.	Caesar's Entertainment Corp.	Hotel/Casino	1,169,684,990	.70
6.	Wynn Resorts Limited	Hotel/Casino	926,978,368	.55
7.	Station Casinos LLC	Hotel/Casino	875,632,786	.52
8.	Genting Group	Hotel/Casino	734,901,496	.44
9.	TESLA	Manufacturing	697,217,575	.42
10.	MGM Resorts International	Hotel/Casino	578,563,575	0.35
	Total		\$14,984,303,332	8.97%

⁽¹⁾ Assessed value is based on information from all Counties and the State Department of Taxation as of November 2022, for the 2022-2023 secured roll plus the 2021-2022 unsecured roll for all properties.

⁽²⁾ Based on assessed valuations for the State of \$167,128,835,758 (includes state-wide redevelopment agencies) as reported by the State Department of Taxation on June 27, 2022 Property Tax Rates for Nevada Local Governments, 2022-2023 (Redbook).

Source: State of Nevada – Department of Taxation.

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Clark County and Washoe County account for a significant majority of the State's real property tax collections. The following Tables illustrate the ad valorem tax collection records for the two counties and do not include property centrally assessed by the State.

Table 7
Tax Levies, Collections and Delinquencies⁽¹⁾
Clark County, Nevada
(Unaudited)

Fiscal Year Ending June 30	Net Secured Roll Tax Levy⁽²⁾	Current Tax Collections⁽³⁾	Percent of Levy Collected⁽⁴⁾	Delinquent Tax Collections⁽⁵⁾	Total Tax Collections⁽⁶⁾	Total Taxes Collected as % of Current Levy⁽⁷⁾
2019	\$1,838,918,120	\$1,830,055,636	99.52%	\$8,627,538	\$1,838,683,174	99.99
2020	1,986,732,605	1,973,950,857	99.36	12,462,100	1,986,412,957	99.98
2021	2,164,876,276	2,154,604,595	99.53	9,670,805	2,164,275,400	99.97
2022	2,362,912,116	2,358,360,195	99.81	2,276,785	2,360,636,980	99.90
2023	2,578,067,017	2,563,697,681	99.44	1,819,487	2,565,517,168	99.51
2024	2,834,014,490	89,341,540	3.15	-- ⁽⁸⁾	89,341,540	3.15

(1) Represents the real property tax roll levies and collections as of July 31, 2023.

(2) The adjusted county tax levied for the fiscal year.

(3) The taxes collected within the fiscal year of the levy.

(4) The percentage of taxes collected within the fiscal year of the levy (calculated on the net secured roll tax levy).

(5) Tax collections in subsequent years.

(6) Total tax collections to July 31, 2023.

(7) The percentage of total taxes collected to July 31, 2023 (calculated on the net secured roll tax levy).

(8) Collections still in progress.

Source: Clark County Treasurer's Office.

Table 8
Tax Levies, Collections and Delinquencies⁽¹⁾
Washoe County, Nevada
(Unaudited)

Fiscal Year Ending June 30	Net Secured Roll Tax Levy⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Taxes Collected as % of Current Levy⁽²⁾
2019	\$533,683,366	\$530,722,691	99.45%	\$2,725,411	\$533,448,102	99.96%
2020	535,122,536	532,811,164	99.57	2,646,350	535,457,514	100.06
2021	559,168,133	556,908,770	99.60	2,019,395	558,928,165	99.96
2022	596,186,581	594,456,141	99.71	(5,894,478) ⁽³⁾	588,561,663	98.72
2023	645,222,082	642,760,681	99.62	(3,314,423) ⁽³⁾	639,446,258	99.10
2024	699,866,441	77,049,676	11.01	153,340 ⁽³⁾	77,203,016	11.03

(1) Represents the real property tax roll levies for ad valorem taxes only, and collections as of August 4, 2023. Includes Supplemental Real Estate billed as of August 4, 2023. Includes adjustments to levy.

(2) Based on collections to net levy (actual levy less stricken taxes).

(3) Negative delinquent tax collections are the result of property tax refunds issued by the Washoe County to certain property taxpayers as a result of a settlement agreement between Washoe County and those taxpayers related to a dispute over property tax assessments. Pursuant to the settlement agreement, Washoe County agreed to pay an estimated \$56 million in refunds between July 2021 and June 2024.

Source: Washoe County Treasurer's Office.

Property Tax Limitations

Abatement Cap. NRS 361.4722 and 361.4723 provide a cap for year-to-year property tax increases by abating taxes which exceed 3% for the primary residence of homeowners. The abatement "cap" for property other than the primary residence of homeowners and certain residential rental property varies by county and is the lesser of (a) 8%; or (b) the greater of (i) the ten-year average annual percentage change of assessed values per county ending in the fiscal year the levy is made, or (ii) twice the percentage of increase in the federal Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the preceding calendar year. This abatement cap formula may also be used in lieu of the 3% cap for primary residences if it yields a greater reduction in the property taxes of the homeowner.

Overlapping Property Tax Caps. Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental entities within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation (\$5.00 per \$100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to \$3.64 per \$100 of assessed valuation in all counties of the State with certain statutory exceptions that (a) permit a combined overlapping tax rate of up to \$5.00 per \$100 of assessed valuation in certain circumstances, including severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, and (b) permit \$0.02 of the state-wide property tax rate per \$100 of assessed valuation to repay certain general obligation bonds not to be counted against the \$3.64 cap. State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, such that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness (including interest). There are a number of express statutory exceptions to these overlapping tax rate limitations. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in this Part II.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general

obligation indebtedness. This rate is generally limited as follows: the assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This formula operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property.

A local government may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add to the allowed revenue from ad valorem taxes the amount approved by the State Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. If revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation is less than the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals tax, the governing body of each local government may levy an additional tax ad valorem for operating purposes. This calculation is known as the supplemental city-county relief tax make up rate and is further explained in NRS 354.59813.

Additional Local Government Property Tax Not Subject to Local Government Property Tax Revenue Limitation. In addition to the property taxes described above under the heading “PROPERTY TAXATION,” counties may levy an ad valorem tax on all taxable property at a maximum rate of \$0.05 per \$100 of assessed valuation of the county. The proceeds of the tax are to be distributed between the county and the cities and towns within the county based on a specific formula, except as described in the following sentence. For counties with a population of 100,000 or more (currently Clark County and Washoe County only), and in accordance with AB 595 (74th (2007) Session), 40% of the proceeds of the tax are allocated to the county and the cities and towns within the county, and the remaining 60% of proceeds are deposited into the State Highway Fund for use in the construction and maintenance of public highways in the county.

An additional tax levy (outside the annual rate increase limitation) of up to \$0.05 per \$100 of assessed valuation is permitted for counties to cover the expenses of maintaining a county museum, art center or historical society. This levy is allowed under NRS 244.377.

School District Property Taxes. School districts levy \$0.75 per \$100 of assessed valuation for operating purposes. They are allowed an additional levy for voter approved general obligation bonds and capital project tax levies.

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State Tax Rates for Repayment of General Obligation Bonds

The State levies a state-wide property tax on all taxable property to repay its outstanding general obligation bonds, other than self-supporting bonds, and the State's property tax rate is not calculated to cover debt service on these self-supporting bonds. Table 2 identifies, among other things, the State's general obligation bonds that are not characterized as self-supporting and that currently are being repaid with state-wide property taxes. See Table 9 below for a schedule of principal and interest payment requirements for such bonds. This Table presents information as of September 1, 2023. All state-wide property taxes collected by the State for the purpose of repayment of the State's general obligation bonds are deposited in the Consolidated Bond Interest and Redemption Fund. See Table 10 for the amount of the current tax levied by the State for general obligation debt and for the amounts of state-wide property taxes deposited (or for FY 2024 and FY 2025, estimated to be deposited) in the Consolidated Bond Interest and Redemption Fund for FY 2020-2025.

Table 9
State Debt Service on Outstanding Bonds Paid with State-Wide Property Tax ⁽¹⁾
(As of September 1, 2023)

Fiscal Year	Principal	Interest	Total Debt Service
2024	\$113,044,000	\$35,050,405	\$148,094,405
2025	112,617,000	29,868,885	142,485,885
2026	118,027,000	24,219,317	142,246,317
2027	123,365,000	18,618,969	141,983,969
2028	37,778,000	14,059,921	51,837,921
2029	40,700,000	12,364,588	53,064,588
2030	32,380,000	10,529,238	42,909,238
2031	33,250,000	9,118,819	42,368,819
2032	34,320,000	7,776,844	42,096,844
2033	35,585,000	6,503,619	42,088,619
2034	34,175,000	5,245,859	39,420,859
2035	35,080,000	4,193,628	39,273,628
2036	28,405,000	3,127,919	31,532,919
2037	28,465,000	2,314,519	30,779,519
2038	19,280,000	1,483,944	20,763,944
2039	19,800,000	954,006	20,754,006
2040	10,255,000	487,600	10,742,600
2041	10,495,000	246,900	10,741,900
Total	\$867,021,000	\$186,164,980	\$1,053,185,980

⁽¹⁾ This Table excludes debt service on self-supporting bonds.

Source: State of Nevada Treasurer.

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Table 10 illustrates the property tax rates levied by the State and the state-wide property tax revenues collected or estimated to be collected from such levy since 2020, after abatement, if any, to repay general obligation bonds that are not expected to be paid from other sources. In Fiscal Year 2024, the State expects property tax revenues to be reduced by approximately \$79.9 million due to property tax abatement. See “PROPERTY TAXATION – Property Tax Limitations - Tax Relief Legislation in 2005” herein for information regarding abatement.

Table 10
Property Tax Rates Levied and Property Tax Revenues Collected
to Repay General Obligation Bonds

Fiscal Year	Tax Rate Per \$100 of Assessed Valuation	Property Tax Revenues⁽¹⁾
2020	\$0.17	\$176,446,528
2021	0.17	192,902,313
2022	0.17	205,141,422 ⁽²⁾
2023	0.17	217,496,236 ⁽³⁾⁽⁴⁾
2024	0.17	229,488,655 ⁽⁵⁾
2025	0.17	244,863,134 ⁽⁵⁾

(1) Represents the amount of property taxes deposited to the Consolidated Bond Interest and Redemption Fund.

(2) [Actual as of September 30, 2022 (unaudited).]

(3) Includes the reduction of revenues due to proposed Washoe County property tax refunds of \$2.9 million.

(4) Actual as of August 31, 2023 (unaudited).

(5) Estimated in the preparation of the State’s 2023-2025 biennium budget.

Source: Property Tax Rates for Nevada Local Governments, State of Nevada Department of Taxation and the State of Nevada Treasurer’s Office.

The State’s current debt management policy has as an objective to have a reserve within the Consolidated Bond Interest and Redemption Fund balance at the end of each fiscal year equal to at least 50% of the next fiscal year’s debt service payments on its general obligation bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues) after deducting amounts within the fund that are set aside for purposes other than payment of debt service. The projected balances are based on assumptions regarding annual property tax collections, annual debt service payments and other adjustments as warranted. The June 30, 2023 (FY 2023 ending balance) reserve amount in the Consolidated Bond Interest and Redemption Fund was \$251,045,458 (unaudited), which amount is equal to approximately 169% of the debt service payments that are scheduled to be made on all general obligation bonds (exclusive of those bonds or portions thereof considered to be self-supporting and paid by other available revenues) that are payable from property taxes during FY 2024.

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The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory maximum. The following Table shows five years of overlapping tax rates in the City of Las Vegas and the City of Reno, as well as the average state-wide rate. The overlapping rates for incorporated and unincorporated areas within the State vary, depending on the rates imposed by applicable taxing jurisdictions.

Table 11⁽¹⁾
Overlapping Tax Rates: State-Wide Average,
Las Vegas and Reno

Fiscal Year Ended June 30	2020	2021	2022	2023	2024
AVERAGE STATE-WIDE RATE	\$3.2218	\$3.1878	\$3.1037	\$3.1736	\$3.1096
CITY OF LAS VEGAS					
Clark County	\$0.6541	\$0.6541	\$0.6541	\$0.6541	\$0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Clark County Library District	0.0942	0.0942	0.0942	0.0942	0.0942
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada ⁽²⁾	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	\$3.2782	\$3.2782	\$3.2782	\$3.2782	\$3.2782
CITY OF RENO					
City of Reno	\$0.9598	\$0.9598	\$0.9598	\$0.9598	\$0.9598
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
State of Nevada ⁽²⁾	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	\$3.6600	\$3.6600	\$3.6600	\$3.6600	\$3.6600

⁽¹⁾ Per \$100 of assessed valuation.

⁽²⁾ \$0.02 of the State rate is exempt from the \$3.64 statutory cap. See “PROPERTY TAXATION—Property Tax Limitations—Overlapping Property Tax Caps” above.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation.

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FINANCIAL INFORMATION

Financial Statements

The State Controller prepares an annual comprehensive financial report setting forth the financial condition of the State as of June 30 of each fiscal year. Appendix A to this Part II consists of the 2022 State ACFR, excluding the Introductory Section and Statistical Section.

[This paragraph to be updated] Appendix B to this Part II consists of the State's History of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2018, 2019, 2020, 2021 and 2022 which is derived from the annual comprehensive financial reports for FY 2018-2022. FY 2022 actual revenues were \$[] million, or []%, [above] the May 2023 Economic Forum Forecast Adjusted for 2021 Legislative. [Despite the better than expected outcome, the FY 2021 actual revenue was \$121.7 million below the pre-pandemic FY 2021 Legislative Adjusted Economic Forum Forecast when the initial FY 2021 budget was enacted.]

Budget Procedure

The State is constitutionally required to maintain a balanced budget. The Nevada Constitution also requires an affirmative vote of not less than two-thirds of the members of both houses of the State Legislature to pass a measure which (a) creates, generates or increases any public revenue in any form, including, but not limited to, taxes, fees, assessments and rates, or (b) makes changes in the computation bases for taxes, fees, assessments and rates.

On or before July 1 of each even-numbered year, the Governor must impanel an economic forum (the "Economic Forum") comprising three members appointed by the Governor, one member nominated by the majority leader of the Senate, and one member nominated by the Speaker of the Assembly. The Economic Forum updates projections for State revenue collections (for unrestricted uses) for the final year of the biennium in which it is impaneled and establishes revenue forecasts for the next biennium. State law requires the written report of the Economic Forum's forecasts of future State General Fund revenue to be made on or before December 3 of each even-numbered year and May 1 of each odd-numbered year. State law also requires the Economic Forum to hold additional meetings, on or before June 10 of each even-numbered year and December 10 of each odd-numbered year. At each of these meetings, the Economic Forum receives an update on the status of actual State General Fund revenue collections compared to the Economic Forum's most recent forecast. The Economic Forum also considers information on current economic indicators, such as employment, unemployment, personal income and any other indicators deemed appropriate by the Economic Forum. The Chair of the Economic Forum is required to provide a report of each meeting to the Interim Finance Committee and the information presented to the Interim Finance Committee must be made available on the website of the State Legislature. A seven-member Technical Advisory Committee (the "TAC") advises the Economic Forum as requested. See Table 12 for a summary of actual General Fund revenues for FY 2019 through FY 2023 (unaudited) and the revenue estimate for FY 2024 as provided in the May 2023 Economic Forum Forecast Adjusted for 2023 Legislative Actions, which is attached as Appendix C to this Part II.

Estimates and projections described herein speak only as of their date and must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the State Department of Taxation and the Gaming Control Board. See Table 24 for information concerning taxable transactions and Table 25 for information concerning gaming revenues and total gaming taxes. Note that the proceeds of the state-wide property tax levied for general obligation bonds are deposited into a separate fund within the State Treasury (the Consolidated Bond Interest and Redemption Fund) and not the General Fund.

State statutes require all State Executive Branch agencies and departments to submit their two-year budgets to the Budget Division by the September 1 prior to the biennial meeting of the State Legislature. The Budget Division holds hearings in September and/or October on the submitted budgets and the Governor reviews the proposals in November. In mid-January, the two-year budget is finalized and submitted to the State Legislature at least fourteen days before the start of each biennial regular session. The Judicial and Legislative Branch agencies, as well as the Public Employees' Retirement System, submit their two-year budgets directly to the State Legislature.

The State Legislature holds hearings and approves or modifies the two-year budget. The budget is enacted through a General Appropriations Act, which authorizes expenditures from unrestricted revenues, and an Authorized Expenditures Act, which authorizes expenditures from revenues collected for a specific purpose. The General Appropriations Act must be balanced to the May Economic Forum forecast of General Fund revenues. The budget may be augmented by other appropriations included in legislation enacted by the State Legislature. The Interim Finance Committee is authorized to modify budgets to fund necessary expenditures between the legislative sessions in amounts determined by statute or as approved by the State Legislature.

General Fund

The purpose of the General Fund is to finance the ordinary operations of the State and to finance those operations not provided for by other funds. Included are all transactions pertaining to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts. As shown in the financial statements, the State has numerous other funds, including Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds. Money on deposit in the Special Revenue Funds is used primarily to fund highway projects, Bond Bank Program transactions, and some of the activities of the State's regulatory agencies. Money on deposit in the Enterprise Funds is used primarily to fund housing facilities and low interest loans for first-time homebuyers with low or moderate incomes, the Water Pollution Control and Safe Drinking Water Revolving Funds, the prepaid college tuition program, and unemployment compensation.

Tables 12, 13, and 14 reflect General Fund revenues and appropriations and General Fund projections on a budgetary or cash basis. Table 12 shows actual revenues for FY 2019 through FY 2023 (unaudited) and the revenue forecast for FY 2024 based on the May 2023 Economic Forum Forecast Adjusted for 2023 Legislative Actions. The data in Table 13 and Table 14 are taken from the Nevada Legislative Appropriations Reports of odd numbered years published by the Fiscal Analysis Division of the Legislative Counsel Bureau in November or from information compiled by the Governor's Finance Office. Table 14 depicts General Fund unappropriated balances and reflects revenue collections and State agency expenditure information. The information in the 2022 State ACFR, which also includes unappropriated balances (see Appendix A to this Part II), are presented on the basis of generally accepted accounting principles ("GAAP") rather than a budgetary basis. See Note 2 in the 2022 State ACFR for reconciliation between data on a budgetary basis and a GAAP basis. Also, see the history of General Fund operations presented on a GAAP basis in Appendix B to this Part II.

As used by the State, the term "General Fund unappropriated balance" represents unobligated and unencumbered funds available for appropriation by the State Legislature. Unspent appropriated money is not reflected as part of General Fund unappropriated balance until, there being no further obligations against the appropriation, the unexpended portion is returned to the General Fund as a reversion. Reversions are reflected as income contributed to the unappropriated balances. Reversions may not take place for several years after their appropriation, although usually they occur after the appropriated amounts are available for one year. At no time are outstanding appropriations included in General Fund unappropriated balances. This format is standard procedure for both the State Budget Division and the State Legislature.

The budget prepared by the Governor must provide for a reserve of not less than 5% of all proposed General Fund operating appropriations and authorizations. The State Controller is also required to deposit a portion of the unrestricted balance of the State General Fund to a reserve for the stabilization and operation of the State. See "FINANCIAL INFORMATION – Account to Stabilize the Operation of State Government and Other Contingency Accounts" below.

State General Fund Revenue Sources

General. The State relies upon sales and use taxes, gaming taxes, business payroll and commerce taxes, insurance premium taxes, live entertainment taxes, cigarette taxes, and real property transfer taxes for the bulk of its General Fund revenues. The State is constitutionally prohibited from having a personal income tax. Other taxes common in many states but not levied in Nevada are franchise, corporate income, special intangible, capital stock, chain store, inventory, stock transfer, and gift taxes. The proceeds of the state-wide property tax levied for general obligation bonds are not General Fund revenue.

The following taxes provide the State's General Fund with its major sources of income. Table 12 sets forth the actual amounts of the various General Fund revenues described below for FY 2019 through 2023 (unaudited), and the revenue forecast for FY 2024 based on the May 2023 Economic Forum Forecast Adjusted for 2023 Legislative Actions, which is included in Appendix C to this Part II.

Sales and Use Taxes. The State receives a 2% sales tax on all taxable sales and taxable items of use. Certain sales are exempt from State sales taxation including, but not limited to, domestic fuel, prescription drugs, food for home consumption, most services, and aircraft and major components thereof based in Nevada. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Sales and Use Tax" in this Part II. Current State law provides for a collection allowance provided to a taxpayer for collecting and remitting sales and use taxes of 0.25%, as well as a General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by local option taxes of 1.75%. Current sales and use tax rates for Clark County and Washoe County are 8.375% and 8.265% (inclusive of the 2.0% received by the State), respectively. The sales tax rate in Clark County increased 0.125% from 8.25% to 8.375%, effective January 1, 2020.

Gaming Taxes. Nevada's gaming establishments are subject to several different taxes at the State level. The most important among these is the monthly gaming percentage fee, which accounts for the majority of gaming tax revenues. Other taxes and fees levied by the State on gaming include license renewals and quarterly and annual license fees based upon the number of slot machines and operational table games, investigative fees, race wire fees, penalties, and interest. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" in this Part II.

Modified Business Tax. The State levies a tax, known as the modified business tax (the "MBT"), against applicable payrolls, less a deduction for employee healthcare expenses, for the privilege of conducting business in Nevada. The rate varies depending on how a business is classified. If the combined revenues from the taxes imposed by the MBT and the commerce tax exceeds the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation is required to determine the MBT rate for both financial and mining and non-financial entities which would have generated a combined revenue of 4% more than the amount anticipated.

The MBT rates for financial and mining and non-financial entities are then to be reduced in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both the financial and mining and non-financial MBTs for the prior year. The revised rates were to be rounded to the nearest one-thousandth of a percent. The revised rate for the MBT for non-financial institutions cannot go below 1.17%. Additionally, the calculations are no longer required if the rates for financial and mining institution and non-financial entities are at or below 1.17% too.

In FY 2022, combined collections came in above 4% of forecast, triggering the MBT rate "buy-down" for the MBT rates, scheduled to begin July 1, 2023. The Department of Taxation performed the MBT rate "buy-down" calculation in September 2022, which reduced the MBT rate of non-financial businesses to 1.170% from 1.378% for all taxable wages in excess of \$50,000 per calendar quarter and reduced the MBT rate for financial and mining companies to 1.554% from 1.853% for all taxable wages. The rate reduction reduces the MBT rate of non-financial businesses to the minimum by which it may be reduced pursuant to NRS 360.203; thus, no further rate reductions may occur under these provisions based on current law.

Commerce Tax. The State levies a tax, known as the commerce tax, on the gross revenue of a business which is earned in the State of Nevada. The first \$4,000,000 per year in gross revenues earned in the State of Nevada is exempt from the tax. The rates range from 0.051% to 0.331% of the gross revenue earned in the State of Nevada exceeding \$4,000,000 depending on the primary industry category or North American Industry Classification System ("NAICS") code assigned to the business. The tax is to be computed for each state fiscal year with the tax return and payment due 45 days after the end of the fiscal year. Commerce Tax provisions provide for a credit against a business's MBT due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years.

Insurance Premium Taxes. The State levies a tax on insurance companies doing business in Nevada. The tax rate is 3.5% of premiums written on policies and contracts covering property, subjects or risks located, resident or to be performed in this State. If qualified, the tax rate for risk retention groups is 2%.

Live Entertainment Taxes. The State imposes a live entertainment tax on certain gaming and non-gaming establishments providing entertainment. The tax rate is 9% on the admission charge when live entertainment is provided at a facility.

Cigarette Taxes. The State imposes a cigarette tax of \$1.80 per package of 20 cigarettes of which \$1.70 is retained by the State. The collection allowance provided to a taxpayer for collecting and remitting cigarette taxes is 0.25%.

Real Property Transfer Taxes. The State levies a tax on the value of transfers of real property. The tax is paid quarterly based on a rate of \$1.30 per \$500 of value.

Liquor Taxes. The liquor tax is an excise tax that is levied upon the volume of alcoholic beverages for the privilege of importing, possessing, storing or selling liquor. The tax rate varies based on alcohol content. The collection allowance provided to a taxpayer for collecting and remitting liquor taxes is currently 0.25%.

Business Licenses. The State imposes a business license fee of \$200 for all types of businesses, except for corporations. The fee for corporations is \$500. Entities that operate a facility where craft shows, exhibitions, trade shows, conventions, or sporting events take place may pay the business license fee for participants not having a business license at the rate of 1.25 times the number of unlicensed entities times the number of days of the event, or a flat annual fee of \$5,000.

Net Proceeds of Minerals Taxes. The State imposes a mineral tax based on net proceeds (“Net Proceeds of Mineral Taxes”) at rates ranging from a minimum of 2% to a maximum of 5%. Local governments, school districts and the Consolidated Bond Interest and Redemption Fund receive revenue equal to the amount derived from the application of the respective property tax rate where the mine is located. Revenue above those amounts previously accrued to the State General Fund. However, for revenues from taxes imposed in FY 2024 and beyond, the 2021 Legislature directed the portion of the Net Proceeds of Minerals Taxes that were deposited in the State General Fund to instead be deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan. See “FINANCIAL INFORMATION—2021-2023 Biennium.”

The 2023 Legislature approved a bill that will require the Net Proceeds of Mineral Taxes to be paid based on actual calendar year 2023 mining activity during FY 2024, and that the proceeds be deposited in the State Education Fund; thus, the resultant General Fund forecast for this tax remains \$0 in FY 2024 and FY 2025, based on current law. Because the Governor signed this bill on February 27, 2023, and it became effective upon passage and approval, the Economic Forum's May 1, 2023 forecast includes the effect of this legislation. See “FINANCIAL INFORMATION—2023-2025 Biennium.”

Cannabis (Marijuana) Excise Tax History

Prior to July 1, 2020, Nevada statutes used the term “marijuana” in connection with the imposition of excise taxes. The 2019 Legislature enacted legislation to change the term to “cannabis” as of July 1, 2020. For consistency, this Official Statement uses the term “cannabis” to describe the excise tax history both before and after July 1, 2020.

Medical Cannabis Taxes. Nevada voters approved medical cannabis by ballot initiative in 2000. The 2013 Legislature directed the Division of Public and Behavioral Health in the Department of Health and Human Services to develop regulations and authorize the creation of licensed and registered establishments to produce, test, and dispense medical cannabis and cannabis-infused products. Registered patients who were Nevada residents were allowed to possess no more than 2.5 ounces of usable cannabis in a single 14-day period. The 2013 Legislature enacted an excise tax imposed on medical cannabis at the rate of 2% at the cultivation facility, 2% at the production facility, and 2% at the medical cannabis dispensary, effective April 1, 2014. The tax at the dispensary was in addition to the state and local sales and use taxes that were otherwise imposed on the sale of tangible personal property. Statute

provided that 25% of the revenue was distributed to the Division of Public and Behavior Health for carrying out the provisions of the medical cannabis act and 75% of the revenue is distributed to the State Distributive School Account. The 2017 State Legislature changed the tax structure for medical cannabis, as further described below in “—Adult-Use Recreational Cannabis Taxes.” Medical cannabis establishments became operational in 2015.

Adult-Use Recreational Cannabis Taxes. While the possession and use of both medical and recreational cannabis remain illegal under the federal law, Nevada voters approved adult-use recreational cannabis by ballot initiative in 2016, allowing those age 21 or older to purchase, possess, and consume up to one ounce of cannabis or up to one-eighth of an ounce of concentrated cannabis for recreational purposes. The ballot initiative was written to legalize adult-use recreational sales on January 1, 2018. In May 2017, the Department of Taxation approved regulations for implementing the ballot initiative early allowing adult-use recreational sales to begin on July 1, 2017.

Licenses for cannabis establishments were initially awarded by the Department of Taxation. Beginning July 1, 2020, that function was assumed by the Nevada Cannabis Compliance Board (“CCB”), which was established during the 2019 Legislative Session and now handles the regulation of licensing and operations in the cannabis industry. Revenue from the 15% wholesale excise tax is now allocated to the Cannabis Control Board and local governments to cover costs related to the program, with any remaining revenue allocated to the State Education Fund.

Effective June 14, 2023, the 2023 Legislature revised the excise tax on the wholesale sale of cannabis to apply the tax only to the first wholesale sale in Nevada of cannabis by a medical cannabis cultivation facility to another cannabis establishment and to provide that the tax is at the rate of 15% of: (1) the fair market value at wholesale for sales made to an affiliate of the medical cannabis cultivation facility or adult-use cannabis cultivation facility; or (2) the sales price, if the sale is made to a cannabis establishment that is not an affiliate of the medical cannabis cultivation facility or adult-use cannabis cultivation facility.

Furthermore, the regulation that determines the fair market value of cannabis was revised. The fair market value of cannabis will be calculated and published by the Department of Taxation quarterly, not more than 30 days after the end of each calendar quarter and is the median sales price for wholesale sales between cannabis cultivation facilities and cannabis establishments that are not affiliates, per pound each.

Tax Credit Programs

The general purpose of a tax credit program is to encourage business growth, job creation and workforce development in the State.

Tax credit programs can directly reduce the tax liability of a taxpayer and thereby decrease certain General Fund revenue collections. The General Fund revenue estimates in Table 12 for FY 2024 are based on the May 2023 Economic Forum Forecast Adjusted for 2023 Legislative Actions. This table also shows actual tax credits taken and the amount projected that may be taken against certain General Fund revenues based on either current law or information provided by the agencies administering the various tax credit programs.

Transferable Film Tax Credit Program. Transferable tax credits issued for qualified film productions completed in the State that may be used against the MBT, insurance premium tax and/or the gaming percentage fee tax. However, the amount of transferable tax credits to the amount appropriated by the State Legislature for that purpose for that fiscal year. Currently, a total of \$10 million per year in film tax credits may be awarded by Governor’s Office of Economic Development (GOED). The law allows any unissued tax credits to be issued in a subsequent fiscal year.

Nevada New Market Jobs Act Tax Credit Program. The Nevada New Market Jobs Act allows insurance companies to receive a credit against the insurance premium tax in exchange for a qualified equity investment in one or more community development organizations, primarily for local or minority-owned entities in under-served zones in the State.

The State Department of Business and Industry may certify up to \$200 million in qualified equity investments, which became effective July 1, 2019. A total of \$116 million of credits can be taken based on the

increment percentages listed below. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the insurance premium tax in an amount equal to 58% of the total qualified equity investment certified by the Department of Business and Industry. However, no credits were allowed to be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022). An additional \$170 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2024, with a total of \$98.6 million of credits that may be taken based on the increment percentages listed below. However, no credits may be taken against the Insurance Premium Tax before July 1, 2026 (FY 2027). The credits may be taken in increments beginning on the second anniversary date of the original investment as follows:

- 2 years after the investment is made: 12% of the qualified investment;
- 3 years after the investment is made: 12% of the qualified investment;
- 4 years after the investment is made: 12% of the qualified investment;
- 5 years after the investment is made: 11% of the qualified investment;
- 6 years after the investment is made: 11% of the qualified investment.

Economic Development Transferable Tax Credit Program. The Governor's Office of Economic Development ("GOED") may issue transferable tax credits for certain qualifying projects that may be used against the MBT, insurance premium tax and/or the gaming percentage fee tax.

A top tier qualifying project is defined as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least \$3.5 billion during the 10-year period immediately following approval of the application and employs Nevada residents in at least half of the project's construction jobs and operational jobs.

The amount of transferable tax credits for the top tier project is equal to \$12,500 for each qualified employee employed by the participants in the project (to a maximum of 6,000 employees), plus 5% of the first \$1 billion and 2.8% of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the qualifying project.

The amount of tax credits approved by GOED for top tier projects may not exceed \$45 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year), and GOED may not issue total tax credits in excess of \$195 million under the program. The program will expire on June 30, 2036. Any unissued tax credits can be issued in future fiscal years within the limits of the program.

Tax credits issued for the Tesla project under this program were fully redeemed between FY 2016 and FY 2020. As of the date hereof, no other credits have been issued under this program.

A mid-tier qualifying project is defined as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least \$1 billion during the 10-year period immediately following approval of the application and employs Nevada residents in at least half of the project's construction jobs and operational jobs. An applicant can request a waiver of the resident employment requirements if it can provide proof satisfactory to the Executive Director of GOED that there are an insufficient number of Nevada residents available and qualified for such employment.

The amount of transferable tax credits for the mid-tier project is equal to \$9,500 for each qualified employee employed by the participants in the project (to a maximum of 4,000 employees).

The amount of tax credits approved by GOED for mid-tier projects may not exceed \$7.6 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year) starting in FY 2018, and GOED may not issue total tax credits in excess of \$38 million under the program. The program will expire on June 30, 2025.

On January 31, 2023, the Interim Finance Committee, under the provisions required pursuant to Senate Bill 410 of the 2019 Session, approved a written request by the Office of Economic Development for the issuance of \$2,137,500 in transferable tax credits to Redwood Materials, Inc., the lead participant engaged in a qualified project in Storey County. The Board of Economic Development approved the application for this project at its meeting on

December 1, 2022. GOED estimates the amount of credits that will be used is \$950,000 in FY 2024, \$475,000 in FY 2025, and \$712,500 in FY 2026.

Nevada Educational Choice Scholarship Tax Credit Program. A taxpayer who makes a donation of money to certain scholarship organizations may receive a dollar-for-dollar credit against the taxpayer's liability for the MBT.

The total amount of credits that may be authorized in each year is \$6,655,000 and the \$6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter. The 2019 Regular Session of the Legislature authorized an additional \$4,745,000 in credits that may be taken against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021. Any amount of the \$4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years. The rolled forward amount may only be used if the originally authorized amount for that fiscal year is used. The original and additional amounts approved for FY 2020 and FY 2021 were exhausted.

The 81st (2021) Regular Session authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2022 beyond the originally authorized credits of \$6,655,000. The full \$4,745,000 has been issued in FY 2022; however, only \$3,984,000 in credits has been taken, leaving approximately \$760,740 that can still be applied to MBT returns. For FY 2024, as of July 1, 2023, the full statutory amount of \$6,655,000.00 has been exhausted, as such, the Department of Taxation will not be accepting any more applications for FY 2024.

Catalyst Account Transferable Tax Credit Program. GOED is authorized to approve transferable tax credits that may be used against the MBT, insurance premium tax and gaming percentage fee tax to new or expanding businesses to promote the economic development of Nevada.

Currently, the total amount of transferable tax credits that may be issued is \$5 million in each fiscal year.

College Savings Plan Employer Matching Employee Contribution Tax Credit Program. A tax credit against the MBT is available to certain employers who match the contributions of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and/or the Nevada College Savings Program.

The amount of the tax credit is equal to 25% of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for up to 5 years.

Affordable Housing Transferable Tax Credit. The Housing Division of the Department of Business and Industry is authorized to approve a total of \$40 million of transferrable tax credits that may be used against the MBT, insurance premium tax, and gaming percentage fee tax. The Division may award up to \$10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program but may award an additional \$3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the State. If the Division approves any credits in excess of \$10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of \$10 million that was issued in the previous fiscal year. If the Division does not issue all of the \$10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.

Baseball Stadium Transferable Tax Credit. The 35th Special Session (June 2023) authorized the developer partner of a qualified major league baseball stadium project to apply to the Stadium Authority for a certificate of eligibility for transferrable tax credits which may be applied to the MBT, the Gaming Percentage Fee Tax, or the Insurance Premium Tax (with the exception of any of these taxes generated from activity occurring within the stadium district). A qualified project may be approved for a maximum of \$36 million in tax credits per fiscal year, beginning in FY 2026, and a maximum of \$180 million in transferrable tax credits may be awarded to all qualified projects in the state.

Table 12 shows actual revenues for FY 2019 through FY 2023 (unaudited) and the revenue forecast for FY 2024 based on the May 2023 Economic Forum Forecast Adjusted for 2023 Legislative Actions.

Table 12⁽¹⁾
General Fund Revenues
(Dollar Amounts in Thousands)
[To updated with audited FY 2022 information]

General Fund Revenue Sources	Fiscal Year Ended June 30 2022 Share of Total Fund	Actual								Economic Forum Forecast			
		2019		2020		2021		2022*		2023		2024	
		Actual Amount	Change	Actual Amount	Change	Actual Amount	Change	Actual Amount	Change	Forecast Amount	Change	Forecast Amount	Change
Sales Tax	30.4%	\$1,284,696	8.0%	\$1,263,939	(1.6%)	\$1,380,573	9.2%	\$1,679,872	21.7%	\$1,820,262	8.4%	\$1,919,868	5.5%
Gaming Taxes ⁽²⁾⁽³⁾	18.2	801,951	2.1	645,453	(19.50)	713,927	10.6	1,005,931	40.9	991,154	(1.5)	991,305	0.0
Modified Business Tax ⁽²⁾⁽⁴⁾	14.8	697,410	6.4	704,744	1.1	641,455	(9.0)	815,406	27.1	903,163	10.8	784,905	(13.1)
Insurance Taxes ⁽²⁾	9.8	443,699	5.9	460,137	3.7	492,970	7.1	542,756	10.1	575,327	6.0	608,132	5.7
Live Entertainment Tax	2.5	131,256	4.7	91,336	(30.4)	11,080	(87.9)	139,156	1,155.9	198,135	42.4	200,603	1.2
Cigarette Tax	2.6	164,393	2.3	156,695	(4.7)	152,702	(2.5)	144,069	(5.7)	130,786	(9.2)	129,524	(1.0)
Real Property Transfer Tax	3.2	101,045	(2.3)	100,267	(0.8)	133,908	33.6	177,691	32.7	107,743	(39.4)	110,489	2.5
Liquor Tax	0.9	44,791	1.3	42,313	(5.5)	43,549	2.9	50,393	15.7	49,174	(2.4)	49,886	1.4
Business License Fee	2.2	110,337	1.0	103,063	(6.6)	113,217	9.9	119,544	5.6	119,003	(0.5)	118,990	0.0
Mining Taxes and Fees ⁽⁵⁾⁽⁶⁾⁽⁷⁾	2.0	50,354	(20.7)	57,159	(13.5)	177,619	210.7	108,189	(39.1)	68,642	(36.6)	0	(100.0)
Commerce Tax	5.1	226,770	12.3	204,984	(9.6)	221,958	8.3	281,882	27.0	301,311	6.9	321,318	6.6
Transportation Connection Excise Tax ⁽⁸⁾	0.5	30,217	38.8	19,869	(34.2)	17,141	(13.7)	28,464	66.1	39,864	40.0	36,052	(9.6)
Other Taxes ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	1.3	47,391	6.5	52,117	10.0	141,349	171.2	69,523	(50.8)	68,621	(1.3)	40,960	(40.3)
Total Taxes	93.5%	\$4,134,309	5.4%	\$3,902,074	(5.6%)	\$4,241,448	8.7%	\$5,162,875	21.7%	\$5,373,185	4.1%	\$5,312,031	(1.1%)
Licenses	3.4	138,628	(0.2)	136,927	(1.2)	151,733	10.8	166,666	9.8	164,410	(1.4)	166,103	1.0
Fees & Fines	1.2	68,574	3.2	54,013	(21.2)	56,180	4.0	81,127	44.4	92,532	14.1	95,606	3.3
Interest Income and Other Repayments	0.2	19,332	102.2	21,122	9.3	9,704	(54.1)	26,104	169.0	118,601	354.3	175,961	48.4
Other Revenue ⁽¹²⁾	1.6	46,771	(8.3)	55,577	18.8	70,258	26.4	87,700	24.8	73,346	(16.4)	86,249	17.6
Subtotal	6.4%	\$273,304	2.8%	\$267,639	(2.1%)	\$287,875	7.6%	\$361,596	25.6%	\$448,889	24.1%	\$523,919	16.7%
Total General Fund Before Tax Credits	100.0%	\$4,407,614	5.2%	\$4,169,713	(5.4%)	\$4,529,323	8.6%	\$5,524,471	22.0%	\$5,822,073	5.4%	\$5,835,951	0.2%
Tax Credits:													
Commerce Tax Credit	n/a	(44,970)	n/a	(50,841)	n/a	(43,107)	n/a	(47,847)	n/a	(54,383)	n/a	(59,037)	n/a
Film Transferrable Tax Credits	n/a	(1,520)	n/a	(338)	n/a	(3,864)	n/a	(1,484)	n/a	(6,010)	n/a	(8,500)	n/a
Economic Development Transferrable Tax Credits	n/a	(41,944)	n/a	(21,913)	n/a	0	n/a	(350)	n/a	0	n/a	(950)	n/a
Catalyst Account Transferrable Tax Credits	n/a	0	n/a	(300)	n/a	0	n/a	0	n/a	0	n/a	0	n/a
Nevada New Market Jobs Act Tax Credits	n/a	(19,611)	n/a	(7,775)	n/a	(912)	n/a	(23,672)	n/a	(24,000)	n/a	(24,000)	n/a
Education Choice Scholarship Tax Credits	n/a	(12,065)	n/a	(11,300)	n/a	(7,115)	n/a	(11,783)	n/a	(13,000)	n/a	(8,910)	n/a
College Savings Plan Tax Credits	n/a	(1)	n/a	0	n/a	(0)	n/a	(0)	n/a	(1)	n/a	(1)	n/a
Affordable Housing Transferrable Tax Credits	n/a	n/a	n/a	0	n/a	0	n/a	0	n/a	(6,000)	n/a	(10,000)	n/a
Baseball Stadium Project Transferable Tax Credits ⁽¹³⁾	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	0	n/a	0	n/a
Total Tax Credits	n/a	(120,109)	n/a	(92,466)	n/a	(54,998)	n/a	(85,136)	n/a	(103,394)	n/a	(111,398)	n/a
Total General Fund After Tax Credits	n/a	\$4,287,504	6.7%	\$4,077,247	(4.9%)	\$4,474,325	9.7%	\$5,439,335	21.6%	\$5,718,680	5.1%	\$5,724,553	0.1%

- (1) The numbers set forth in this Table are prepared using a budget method of accounting and may differ from the corresponding numbers set forth in the 2022 Financial Statements. Totals may not add due to rounding.
- (2) Gaming Taxes, Modified Business Taxes and Insurance Taxes are reported as gross revenue (before tax credits).
- (3) S.B. 266 excludes, for the purposes of calculating the percentage fee tax on gross gaming revenue, cash received as entry fees for the right to participate in a contest or tournament conducted on the premises of a licensed gaming establishment with the participants physically present at those premises when participating under certain circumstances, effective July 1, 2023. The effective date of July 1, 2023, results in an estimated reduction of revenue of \$1,563,100 for the last 11 months of FY 2024, and \$1,705,200 for all twelve months of FY 2025.
- (4) S.B. 483 requires the MBT-Nonfinancial rate to be reduced from 1.378% to 1.17% on all taxable wages in excess of \$50,000 per calendar quarter, and the MBT-Financial and MBT-Mining rates to be reduced from 1.853% to 1.554% on all taxable wages, effective at the beginning of FY 2024 (July 1, 2023). See "State General Fund Revenue Sources – Modified Business Tax" herein.
- (5) The 31st Special Session approved an advanced payment of the net proceeds of minerals in FY 2021 based on the estimated net proceeds for the calendar year 2021 for the General Fund portion only. For taxes imposed in FY 2024 and beyond, the 2021 Legislature directed the portion of the Net Proceeds of Mineral Tax that had been deposited in the State General Fund instead be deposited in the State Education Fund. See "FINANCIAL INFORMATION—State General Fund Revenue Sources—Net Proceeds of Minerals Taxes."
- (6) The 81st Regular Session imposed an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million. The proceeds from this tax were deposited in the State General Fund in FY 2022 and FY 2023 only. Beginning in FY 2024, the revenue will be deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan. The General Fund portion of this tax generated \$71.3 million in FY 2022 and \$1.4 million in FY 2023.

- (7) S.B. 124 amends the provisions originally approved in S.B. 3 of the 31st Special Session (July 2020), which required the prepayment of the State General Fund portion of the Net Proceeds of Minerals Tax for FY 2021, FY 2022, and FY 2023 based on the estimated mining activity during each of those calendar years, to revert the payment of the tax back to its former method (tax due based on actual mining activity from the preceding calendar year) of taxing net proceeds on July 1, 2022, rather than on July 1, 2023, as originally approved in S.B. 3. The passage of S.B. 124 will require these tax proceeds to be paid based on actual calendar year 2023 mining activity during FY 2024, and the proceeds will be deposited in the State Education Fund, pursuant to A.B. 495 (2021); thus, the resultant forecast for this tax remains zero in FY 2024 and FY 2025, based on current law. A.B. 495 provides that, beginning in FY 2024, the portion of the Net Proceeds of Minerals Tax currently deposited in the State General Fund be instead deposited in the State Education Fund as a dedicated state funding source for the benefit of K12 education under the Pupil-Centered Funding Plan. This action does not affect the Economic Forum's forecast for FY 2022 or FY 2023.
- (8) Transportation Connection Tax fluctuates based on legislation which states that the first \$5 million in even numbered fiscal years is transferred to the Highway Fund.
- (9) The 31st Special Session required 100% of the proceeds from the portion of the GST generated from the 10% depreciation schedule to be allocated to the General Fund in FY 2021 only.
- (10) S.B. 452 requires 100% of the proceeds from the portion of the Governmental Services Tax generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be permanently allocated to the State Highway Fund, effective July 1, 2023. As approved under this bill, the State General Fund will no longer receive proceeds from this tax beginning in FY 2024.
- (11) A.B. 232 revises the tax on other tobacco products to specify that the tax on premium cigars, defined as a cigar that is rolled by hand, has a wrapper made of whole tobacco leaves, and which does not have a filter or mouthpiece, is 30 percent of the wholesale price of the cigar, but cannot be less than 30 cents per premium cigar or more than 50 cents per premium cigar, effective July 1, 2023, until June 30, 2027. Estimated to reduce collections by \$1,000,000 per fiscal year in FY 2024 and FY 2025.
- (12) S.B. 448 eliminates the distribution of certain court administrative assessment fees to the Office of the Court Administrator and other functions pursuant to subsection 8 of NRS 176.059, and instead requires that those proceeds be deposited in the State General Fund in addition to the \$5 per assessment that is currently deposited pursuant to subsections 5 and 6 of NRS 176.059, effective July 1, 2023. The elimination of this revenue distribution additionally eliminates the provisions that require court administrative assessment revenue that was not used or distributed for these purposes to be deposited in the State General Fund. Estimated to generate \$15,569,000 per fiscal year in FY 2024 and FY 2025.
- (13) S.B. 1 (35th Special Session (June 2023)) authorizes the developer partner of a qualified major league baseball stadium project to apply to the Stadium Authority for a certificate of eligibility for transferrable tax credits which may be applied to the Modified Business Tax, the Gaming Percentage Fee Tax, or the Insurance Premium Tax (with the exception of any of these taxes generated from activity occurring within the stadium district). A qualified project may be approved for a maximum of \$36 million in tax credits per fiscal year, beginning in Fiscal Year 2026, and a maximum of \$180 million in transferrable tax credits may be awarded to all qualified projects in the state. See "Tax Credit Programs – Baseball Stadium Transferable Tax Credit" herein.
- * Unaudited.

Source: Legislative Council Bureau, General Fund Revenue Table, May 2023 Economic Forum Forecast Adjusted for 2023 Legislative Actions and Governor's Finance Office.

The following Table reflects General Fund appropriations and estimates of appropriations for the fiscal years shown.

Table 13
General Fund Appropriations
(Dollar Amounts in Thousands)

Fiscal Year Ended June 30	Actual Appropriations				2023 Legislatively Approved Appropriations ⁽¹⁾	
	2020	2021	2022	2023	2024	2025
Constitutional Agencies	\$174,800	\$154,208	\$148,733	\$165,375	\$431,094	\$541,225
Finance & Administration	43,427	41,329	43,342	44,545	44,649	44,690
Education	2,363,459	1,943,440	2,354,466	2,192,555	2,226,903	2,597,420
Health & Human Services	1,367,300	1,369,442	1,485,545	1,862,125	1,942,272	2,067,092
Commerce & Industry	59,052	46,992	55,561	54,445	59,534	60,989
Public Safety	381,494	376,136	380,303	389,474	393,739	406,094
Infrastructure	42,764	39,485	40,449	41,650	48,546	49,383
Special Purpose Agencies	11,584	10,348	18,197	18,603	28,603	29,585
TOTAL⁽²⁾	\$4,443,882	\$3,981,379	\$4,526,596	\$4,768,772	\$5,175,339	\$5,796,478

⁽¹⁾ Legislature approved appropriations, including supplemental appropriations approved by the State Legislature, subject to revision.

⁽²⁾ Totals may not add due to rounding.

Source: Nevada Legislative Appropriations Report November 2019, November 2021, and Governor's Finance Office.

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Table 14⁽¹⁾
General Fund Unappropriated Balances
(Dollar Amounts in Thousands)
[To update with audited FY 2022 information]

Fiscal Year Ending June 30	2018	2019	2020	2021	2022*
General Fund Resources:					
Unappropriated General Fund Balance - July 1	\$434,085	\$424,842	\$352,865	\$574,454	\$1,040,768
Unrestricted General Fund Reversions	87,588	125,764	89,192	315,312	141,070
Unrestricted General Fund Revenue					
General Fund Revenue	\$4,189,925	\$4,407,614	\$4,169,713	\$4,529,323	\$5,524,471
Transfer from Fund to Stabilize the Operation of State Government	5,000	0	401,186	0	97,545
Transfers and Reversions from Various Accounts	0	7,647	190,026	344,949	0
Tax Credit Programs	(171,213)	(120,109)	(92,466)	(54,998)	(85,136)
Total Unrestricted General Fund Revenue	\$4,023,711	\$4,295,151	\$4,668,459	\$4,819,274	\$5,536,880
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	\$7,600	\$7,600	\$7,600	\$7,600	\$7,600
Unclaimed Property - Grant Matching Program	0	0	0	0	\$1,000
Quarterly Slot Tax - Problem Gambling	1,319	1,310	0	0	\$0
Live Entertainment Tax – Nevada Arts Council	150	150	150	150	\$150
Total Restricted General Fund Revenue	\$9,069	\$9,060	\$7,750	\$7,750	\$8,750
General Fund Resources	\$4,554,453	\$4,854,817	\$5,118,267	\$5,716,789	\$6,727,469
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	(\$3,936,673)	(\$4,058,313)	(\$4,368,809)	(\$3,988,955)	(\$4,633,160)
Supplemental Operating Appropriations	0	(33,189)	0	(272,252)	0
Operating Appropriations Transfers Between FYs 2018 & 2019 ⁽²⁾	(38,020)	38,020	0	0	0
Operating Appropriations Transfers Between FYs 2020 & 2021 ⁽²⁾	0	0	(59,358)	59,358	0
Operating Appropriations Transfers Between FYs 2021 & 2022	0	0	0	0	112,397
One-Time Appropriations	(43,336)	(309,556)	0	(310,546)	(16,381)
Restoration of Fund Balances	0	(38,002)	(38,797)	(32,297)	(32,020)
Cost of Regular and Special Sessions of Legislatures	0	(18,000)		(25,086)	0
Total Unrestricted Appropriations / Transfers	(\$4,018,029)	(\$4,419,038)	(\$4,466,965)	(\$4,569,779)	(\$4,569,164)
Restricted Transfers					
Millennium Scholarship	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)	(\$7,600)
Grant Matching Program	0	0	0	0	(1,000)
Problem Gambling	(1,319)	(1,310)	0	0	0
Nevada Arts Council	(150)	(150)	(150)	(150)	(150)
Disaster Relief Account	(2,000)	(2,000)	(1,500)	(1,000)	(1,500)
Fund to Stabilize the Operation of State Government	(103,473)	(96,612)	(69,491)	(97,545)	(340,084)
Total Restricted Transfers	(\$114,541)	(\$107,672)	(\$78,741)	(\$106,295)	(\$350,334)
Adjustments to Fund Balance	2,960	24,759	1,892	53	0
Total Appropriations / Transfers	(\$4,129,611)	(\$4,501,952)	(\$4,543,814)	(\$4,676,021)	(\$4,919,497)
Unappropriated General Fund Balance June 30	\$424,842	\$352,865	\$574,453	\$1,040,768	\$1,807,971
5% Minimum Ending Fund Balance	\$206,481	\$202,247	\$221,408	\$210,092	\$226,038
Difference	\$218,361	\$150,618	\$353,045	\$830,676	\$1,581,933

⁽¹⁾ Revenue before tax credits taken, totals may not add due to rounding.

⁽²⁾ Operating Appropriation Transfers Between FYs 2017 & 2018, and FYs 2019 & 2020 are intentionally omitted, as no such transfers occurred during those periods.

* Unaudited, projected as of August 21, 2023. Final amounts may differ.

Source: Nevada Legislative Appropriations Report, November 2019, November 2021, and Governor's Finance Office (Unaudited)

General Fund Balance

The General Fund balance presented in the following table represents only the unappropriated portion of the General Fund balance and is determined on the budgetary basis method of accounting. The General Fund balance as presented in the 2022 State ACFR in the Required Supplementary Information, Budgetary Comparison Schedule section is also determined on the budgetary basis of accounting, but includes both appropriated and unappropriated components. The fund balance for the General Fund in the Balance Sheet section of the 2022 State ACFR is determined on a GAAP basis. The fund balance is classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources in the fund as follows:

Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts, and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).

Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the State Legislature, through legislation passed into law.

Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.

Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

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Budgetary basis and GAAP basis General Fund balances as of June 30, 2021 and June 30, 2022 are reconciled as follows:

Table 15⁽¹⁾
General Fund Balance
[To be updated after 2022 ACFR released]

	June 30, 2021	June 30, 2022
Unappropriated General Fund Balance	\$ 1,033,690,223	\$ 1,834,662,711
Restricted General Fund Balance, Budgetary Basis	3,839,578,581	3,475,957,093
Total General Fund Balance, Budgetary Basis	4,873,268,804	5,310,619,804
Accrued Medicaid Receivable	338,386,206	316,559,552
Receivables Recorded as Budgetary Expenditures	241,624,767	144,087,872
Encumbrances Recorded as Budgetary Expenditures	3,026,962	2,498,886
Accrued Medicaid Liability	(572,612,730)	(539,050,141)
Unearned Gaming Taxes	(178,709,668)	(155,574,888)
Unavailable Revenue-Intergovernmental	(254,705,413)	(253,838,547)
Unearned Revenue-Other	(3,045,144,748)	(2,464,314,172)
Liabilities Recorded as Budgetary Revenues	(120,193,808)	(315,587,966)
Other	136,088,725	(140,320,316)
Total General Fund Balance, GAAP Basis	<u>\$ 1,421,029,097</u>	<u>\$ 1,905,080,084</u>
Fund Balances:		
Nonspendable	173,325,076	29,933,709
Restricted	80,690,016	105,955,134
Committed	1,061,451,176	1,811,481,539
Assigned	13,787,661	-
Unassigned	91,775,168	(42,290,298)
Total General Fund Balance, GAAP Basis	<u>\$ 1,421,029,097</u>	<u>\$ 1,905,080,084</u>

⁽¹⁾ This Table is prepared based on the Required Supplementary Information of the 2022 State ACFR.

Source: State of Nevada Controller's Office.

Account to Stabilize the Operation of State Government and Other Contingency Accounts

The Account to Stabilize the Operation of State Government (the "Stabilization Account") is an account in the State General Fund created pursuant to NRS 353.288. Money from the Stabilization Account may be appropriated only if: (i) total actual revenue of the State falls short of the total anticipated revenue for the biennium in which the transfer will be made by 5% or more, as determined by the State Legislature, or by the Interim Finance Committee if the State Legislature is not in session; or (ii) the State Legislature, or the Interim Finance Committee if the Legislature is not in session, and the Governor declare that a fiscal emergency exists. In addition, the money in the Stabilization Account may be allocated directly by the Legislature to be used for any other purpose.

Additions to the Stabilization Account are triggered at the end of a fiscal year if the General Fund unrestricted fund balance, budgetary basis, exceeds 7% of the General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account and is classified on the balance sheet as committed for fiscal emergency.

The 75th (2009) Regular Session passed legislation requiring the State Controller to transfer 1% of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the State Legislature that affects State revenue for that fiscal year (the "1% Transfer"), to the Stabilization Account at the beginning of each fiscal year.

The maximum balance allowed in the Stabilization Account is 20% of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the

funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Stabilization Account. As of September 1, 2023, the balance of the Stabilization Account is \$961.4 million.

The State has established five other accounts to reserve funds for various contingencies.

The Disaster Relief Account created pursuant to NRS 353.2735 may be used for any purpose authorized by the State Legislature or distributed to State agencies or local governments through grants to pay for certain disasters and emergencies. NRS 353.288 provides for a quarterly transfer from the General Fund to the Disaster Relief Account an amount equal to not more than \$500,000 or 10% of the aggregate balance in the Stabilization Account, whichever is less. As of September 1, 2023, the Disaster Relief Account had a balance of \$10.4 million.

The Emergency Account created pursuant to NRS 353.263 may be used when the Board of Examiners determines a qualifying emergency exists which requires an expenditure for which no appropriation was made, or is in excess of the appropriation available for that purpose. As of September 1, 2023, the Emergency Account had a balance of \$354,763.

The Stale Claims Account created pursuant to NRS 353.097 may be used to pay for certain claims received after the date on which the appropriated balance for a previous fiscal year reverts to the fund from which it was appropriated. A stale claim must have been eligible to be paid from the money appropriated to the agency which is submitting the claim, and it may not exceed the amount of money reverted, or the authorized balance on the last day of the fiscal year, for the fiscal year in which the stale claim was incurred. As of September 1, 2023, the Stale Claims Account had a balance of \$1.0 million.

The Statutory Contingency Account created pursuant to NRS 353.264 may be used for the payment of certain legal and investigation expenses; expenses related to the interstate compact for juveniles; rewards for certain cases; costs of certain ballot questions, initiatives and recounts; certain refunds; terminal leave for employees in certain circumstances; certain insurance claims if the Insurance Premiums Fund has been exhausted, and the cost of fighting forest fires. Claims may be paid from the Statutory Contingency Account only when the money otherwise appropriated for the specific purpose has been exhausted. As of September 1, 2023, the Statutory Contingency Account had a balance of \$13.4 million.

The Interim Finance Committee Contingency Account created pursuant to NRS 353.266 may be used for the payment of certain expenses in excess of the amount appropriated by the Legislature for the biennium for the support of an agency or program, for circumstances for which the Legislature made no other provision, or as directed by the State Legislature. As of September 1, 2023, the Interim Finance Contingency Account had an unrestricted balance of \$24.2 million.

As of September 1, 2023, these five accounts had a total balance of \$49.4 million available for the purposes stated above.

COVID-19 Federal Aid

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law. This act established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion to the Fund to provide payments to states and certain local governments; the District of Columbia and U.S. Territories and Tribal governments navigating the impact of the COVID-19 outbreak. The State of Nevada received approximately \$836 million of which \$148.6 million was paid to local governments with populations under 500,000.

On March 11, 2021, the American Rescue Plan Act (ARPA) was passed by Congress and signed into law. This act established the Coronavirus State Fiscal Recovery Fund (CSFRF) and Coronavirus Local Fiscal Recovery Fund which, combined, appropriated \$350 billion to provide payments to states and certain local governments; the District of Columbia and U.S. Territories and Tribal governments to assist with recovery and to continue navigating the impact of the COVID-19 pandemic. Nevada was allocated a total of \$6.7 billion of ARPA funds consisting of approximately: \$2,738.0 million of CSFRF funds; \$1,040.9 million in local general aid; \$1,123.4 million in aid for

K-12 education, \$345.74 million for transportation, \$338.74 million for housing assistance, and other funds for areas such as, economic development, infrastructure, food assistance, and healthcare.

Unlike funds received under the CARES Act, State Fiscal Recovery funds received under ARPA allow the State to replace lost revenue due to the COVID-19 public health emergency. The Governor's Finance Office, Budget Division, in consultation with the Fiscal Division of the Legislative Counsel Bureau, calculated the revenue loss for FY 2020 and FY 2021 of \$692.3 million and \$633.2 million, respectively, per guidance provided by the U.S. Treasury

By June 30, 2022, the State had allocated \$1.1 billion in CSFRF funds. As of June 30, 2023, the state had cumulatively obligated \$2.7 billion in funds. The expenditure category total breakdown is listed as follows: public health - \$283.4 million, negative economic impacts - \$1.1 billion, public health negative economic impacts - \$2.0 million, infrastructure \$303.3 million, revenue replacement - \$1.0 billion, and administration - \$10.9 million. As of June 30, 2023, \$43.1 million of CSFRF funds remain unobligated and the State continues to review expenditures to determine if they qualify under the Final Rule and can be funded with CSFRF funds.

2021-2023 Biennium

Governor Sisolak approached the 2021-2023 biennium budget building process with caution considering the impacts related to the COVID-19 health crisis. Efforts focused on restoring some of the significant spending cuts approved by the Legislature during the 31st Special Session. This included restoration of services necessary to protect and enhance the health and safety of the citizens of Nevada. A continued focus was given on strengthening education, investing in the State's workforce for a post-pandemic economy and improving infrastructure with a focus on economic development.

Governor Sisolak's recommended Executive Budget for the 2021-2023 biennium totaled \$27.0 billion (all funding sources), an increase of approximately \$1.3 billion, or 5.1%, over the previous biennium. The recommended Executive Budget included \$8.7 billion in General Fund operating appropriations, a decrease of \$187 million compared to the 2019-2021 legislatively approved budget.

The 81st (2021) Regular Session began on February 1, 2021 and adjourned June 1, 2021. The State Legislature approved many of the proposals put forth in the Governor's recommended budget. Legislation enacted from the 81st (2021) Regular Session having an impact on General Fund revenues include the following (source: May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions):

- AB495 imposes an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million. The proceeds from this tax are to be deposited in the State General Fund in FY 2022 and FY 2023 only. Revenues from taxes imposed in FY 2024 and beyond will be deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan. The tax is estimated to generate \$83.8 million in FY 2022 and \$81 million in FY 2023.
- AB495 additionally specifies that the portion of the Net Proceeds of Minerals Tax currently deposited in the State General Fund be instead deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan. This revenue source will, however, continue to be deposited in the State General Fund for FYs 2021, 2022, and 2023.
- AB495 authorized an additional \$4,745,000 in tax credits under the Educational Choice Scholarship Tax Credit Program against the MBT (Chapters 363A and 363B combined) in FY 2022. Any amount of the \$4,745,000 in credits that is not approved by the Department of Taxation in FY 2022 may be issued in future fiscal years. Although the provisions of AB495 authorized an additional \$4,745,000 in credits in FY 2022, the Fiscal Analysis Division of the Legislative Counsel Bureau

has increased the amount of credits that will be taken by \$4,745,000 in FY 2023, because of the timing on when these and previously approved tax credits are anticipated to be awarded and used.

- SB440 provides an exemption from sales and use taxes on purchases of tangible personal property by members of the Nevada National Guard who are on active status and who are residents of this State and certain relatives of such members, if the purchase occurs on the date on which Nevada Day is observed or the immediately following Saturday or Sunday, between July 1, 2021, and June 30, 2031. The bill also revises the eligibility requirements for the current exemption that is authorized for members of the Nevada National Guard called into active service to provide that this exemption is available to these members and certain relatives, if the member has been called into active duty for a period of more than 30 days outside of the United States. The exemption is anticipated to reduce sales and use tax revenue for the state and local governments; however, an estimate of the potential reduction was not prepared.
- SB367 provides an exemption from the Live Entertainment Tax for live entertainment that is provided by or entirely for the benefit of a governmental entity, effective upon passage and approval (June 4, 2021). Because this exemption is expected to provide a minimal reduction to Live Entertainment Tax revenues, no adjustment to the forecast was made.
- SB389 provides for the regulation and licensing of peer-to-peer car sharing programs by the Department of Motor Vehicles, and also provides that passenger cars that are shared through such a program are subject to a Short-Term Car Lease Fee that is identical to the fee already collected by the Department of Taxation on the rental of other passenger cars in this state, effective October 1, 2021. This is estimated to generate \$0.75 million in FY 2022 and \$1.0 million in FY 2023.
- AB445 requires the State Controller, as soon as practicable after the close of FY 2021, to transfer \$1,000,000 from the Abandoned Property Trust Account (Unclaimed Property) to the Grant Matching Account for the purpose of providing grants or satisfying matching requirements for nongovernmental organizational grants by the Office of Federal Assistance in the Office of the Governor. For FY 2023 and all subsequent years, the first \$1.0 million of revenue from Unclaimed Property that is generated after the required transfer of the first \$7.6 million to the Millennium Scholarship Trust Fund must be transferred to the Grant Matching Account. The actions of this bill reduce the forecast for this revenue source by \$1.0 million per year in FY 2022, FY 2023, and all future fiscal years.
- SB461 provides for how the federal aid from ARPA will be distributed. The bill requires the Governor's Office of Finance to determine the reduction in the general revenue of the State of Nevada as a result of the COVID-19 pandemic pursuant to the formula set forth in the Interim Final Rule of the Department of the Treasury and transfer any such amount to the State General Fund. After the transfer to the State General Fund is made, the money received from the Coronavirus State and Local Fiscal Recovery Funds by the State of Nevada in accordance with the provisions of chapter 353 of NRS in the following order of priority, after any other disbursements of such federal money required by the 81st Session of the Nevada Legislature and as that money is available:
 - \$335,000,000 to repay advances received by the Unemployment Compensation Fund.
 - \$20,900,000 for the public health emergency of the COVID-19 pandemic.
 - \$7,600,000 to address increased levels of food insecurity resulting from the negative economic impact of the COVID-19 pandemic on low-income families.
 - \$6,000,000 to the Collaboration Center Foundation to augment services and programs implemented to address the negative or disparate impacts of the COVID-19 pandemic on persons with disabilities.

- \$5,000,000 to the State Treasurer to be administered as grants to persons with disabilities who are under 18 years of age through the Nevada ABLE Savings Program to assist persons with disabilities who have been negatively or disparately impacted by the COVID-19 pandemic.
- \$4,000,000 to the University of Nevada, Reno, to establish a statewide program modeled after the Dean's Future Scholars Program at the University of Nevada, Reno, to assist pupils who are in grade 6 or higher, are prospective first-generation college students and have been negatively or disparately impacted by the COVID-19 pandemic.
- Disbursements for any other purpose authorized for the use of the money received from the Coronavirus State and Local Fiscal Recovery Funds.

On May 13, 2021, the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions taken by the 2019 Legislature in SB551 were unconstitutional. As a result, the rate for the MBT for nonfinancial businesses was reduced to the amount determined by the Department of Taxation on or before September 30, 2018 (from 1.475% to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter), and the rate for the MBT for financial and mining entities was reduced to the amount determined by the Department of Taxation on or before September 30, 2018 (from 2% to 1.853% for all taxable wages), effective April 1, 2021. The court ruling additionally requires the Department of Taxation to issue refunds for all MBT that was collected at the higher rate, between July 1, 2019, and March 31, 2021, based on the difference between the rate approved in SB551 and the reduced rate determined by the Department, as well as interest on the excess amount collected.

The May 2021 Economic Forum Forecast Adjusted for 2021 Legislative Actions and Court Decisions reflects the estimated combined negative impact for each fiscal year for the refund and interest attributable to FY 2020 and FY 2021 overpayments as allocated to FY 2021 and FY 2022 and the tax rate reduction for the fourth quarter of FY 2021 and all four quarters of FY 2022 and FY 2023.

The estimated negative impact to total MBT collections attributable to the refund and interest on tax overpayments for FY 2020 and FY 2021 allocated to FY 2021 is \$75,575,000 and allocated to FY 2022 is \$4,717,000. The estimated negative impact to total MBT collections attributable to the reduction in the tax rates for FY 2021 is \$12,128,000, for FY 2022 is \$50,573,000, and for FY 2023 is \$53,659,000. The estimates for the refund and interest are based on information provided by the Department of Taxation, based on an analysis of actual taxpayer accounts, regarding the potential total refund and interest amounts for the four quarters of FY 2020 and the three quarters of FY 2021 and the actual refund and interest amounts issued for FY 2021 by each component of the MBT. In FY 2022, combined collections came in above 4% of forecast, triggering the MBT rate "buy-down" for the MBT rates, scheduled to begin July 1, 2023.

Estimates and projections described herein speak only as of their date and must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the Department of Taxation and the Gaming Control Board.

2023-2025 Biennium

Governor Lombardo approached the 2023-2025 biennium budget-building process considering how the unique revenue position could allow the State to address a wide range of budget needs that developed throughout the pandemic and budget reductions from prior years. Efforts focused on restoring some of the significant spending cuts approved in prior Legislative Sessions.

Governor Lombardo's recommended Executive Budget for the 2023-2025 biennium totaled \$48.5 billion (all funding sources), an increase of approximately \$3.0 billion, or 6.5%, over the previous biennium. The recommended Executive Budget included \$11.0 billion in General Fund operating appropriations, an increase of \$1.72 billion compared to the 2021-2023 legislatively approved budget.

The 82nd (2023) Regular Session began on February 6, 2023, and adjourned June 6, 2023. The State Legislature approved many of the proposals put forth in the Governor's recommended budget. Legislation enacted from the 82nd (2023) Regular Session estimated to have at least a \$10 million impact on General Fund revenues include the following (source: May 2023 Economic Forum Forecast Adjusted for 2023 Legislative Actions):

- SB124 amends the provisions originally approved in SB3 of the 31st Special Session (July 2020), which required the prepayment of the State General Fund portion of the Net Proceeds of Minerals Tax for FY 2021, FY 2022, and FY 2023 based on the estimated mining activity during each of those calendar years, to revert the payment of the tax back to its former method (tax due based on actual mining activity from the preceding calendar year) of taxing net proceeds on July 1, 2022, rather than on July 1, 2023, as originally approved in SB3. The passage of SB124 will require these tax proceeds to be paid based on actual calendar year 2023 mining activity during FY 2024, and the proceeds will be deposited in the State Education Fund, pursuant to AB495 (2021); thus, the resultant forecast of General Fund revenues for this tax remains \$0 in FY 2024 and FY 2025, based on current law. Because this bill was signed by the Governor on February 27, 2023 and became effective upon passage and approval, the Economic Forum's May 1, 2023, forecast includes the effect of this legislation.
- SB266 excludes, for the purposes of calculating the percentage fee tax on gross gaming revenue, cash received as entry fees for the right to participate in a contest or tournament conducted on the premises of a licensed gaming establishment with the participants physically present at those premises when participating under certain circumstances, effective July 1, 2023. The effective date of July 1, 2023, results in a reduction of revenue of \$1,563,100 for the last 11 months of FY 2024, and \$1,705,200 for all twelve months of FY 2025.
- SB435 specifies that if an assessment against the operators of certain private medical providers in Nevada is imposed by the Division of Health Care Financing and Policy of the Department of Health and Human Services, the proceeds must be used to provide additional support and services under Medicaid for Medicaid recipients with serious behavioral health conditions, effective upon passage and approval (June 8, 2023). If such an assessment is imposed, the use of these proceeds for Medicaid services is anticipated to increase capitation payments to contracted managed care organizations, which would increase insurance premium tax collections (as these capitation payments are considered as net direct considerations for the calculation of the tax). However, as it is not known what the rate of assessment that may be imposed or when such an assessment may begin, the effect on the State General Fund is not known at this time.
- AB448 clarifies that the exemption from the real property transfer tax for a mere change in identity, form or place of organization, does not apply if the business entity to which the real property is transferred was formed for the purpose of avoiding those taxes, effective upon passage and approval (June 15, 2023). The effect upon the State General Fund is not known at this time, as it is anticipated that the Department of Taxation will need to develop regulations to establish guidelines for determining which entities are formed for the purpose of avoiding the tax.
- SB452 requires 100% of the proceeds from the portion of the Governmental Services Tax generated from the 10% depreciation schedule change, approved in SB429 (2009), to be permanently allocated to the State Highway Fund, effective July 1, 2023. As approved under this bill, the State General Fund will no longer receive proceeds from this tax beginning in FY 2024.
- AB 232 revises the tax on other tobacco products to specify that the tax on premium cigars, defined as a cigar that is rolled by hand, has a wrapper made of whole tobacco leaves, and which does not have a filter or mouthpiece, is 30 percent of the wholesale price of the cigar, but cannot be less than 30 cents per premium cigar or more than 50 cents per premium cigar, effective July 1, 2023, until June 30, 2027. Estimated to reduce collections by \$1,000,000 per fiscal year in FY 2024 and FY 2025.
- SB448 eliminates the distribution of certain court administrative assessment fees to the Office of the Court Administrator and other functions pursuant to subsection 8 of NRS 176.059, and instead requires that those proceeds be deposited in the State General Fund in addition to the \$5 per assessment that is currently deposited pursuant to subsections 5 and 6 of NRS 176.059, effective July 1, 2023. The elimination of this revenue distribution additionally eliminates the provisions that require court administrative assessment revenue that was not used or distributed for these purposes

to be deposited in the State General Fund. Estimated to generate \$15,569,000 per fiscal year in FY 2024 and FY 2025.

- SB428 requires the submission of a question on the November 2024 General Election ballot seeking approval to amend the Sales and Use Tax Act of 1955 to provide an exemption from the State 2% sales and use tax for diapers for children and adults. If this question is approved by the voters, the sales tax exemption for these products will be effective January 1, 2025, until December 31, 2050.
- SB428 also provides that if the ballot question is approved by the voters, identical exemptions for these products from the Local School Support Tax and other state and local taxes would become effective January 1, 2025 and would also expire on December 31, 2050. If approved, these exemptions would reduce the amount of the commission that is kept by the Department of Taxation and deposited in the State General Fund for collection of these taxes.
- SB240 authorizes an additional \$170 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2024, with a total of \$98.6 million of credits that may be taken based on the increment percentages originally approved in SB357 (2013). However, pursuant to SB240, none of these credits may be taken against the Insurance Premium Tax before July 1, 2026 (FY 2027).
- SB240 additionally allows the Department of Business and Industry, effective July 1, 2024, to certify \$30 million in impact qualified equity investments, with a total of \$22.5 million of credits that may be taken based on the increment percentages in the bill (0% in the first two years, and 15% per year in the next five years). Pursuant to SB 40, none of these credits may be taken against the Insurance Premium Tax before July 1, 2026 (FY 2027).

The 35th Special Session of the Legislature

Governor Lombardo issued a proclamation calling for the 35th Special Session to begin on June 7, 2023, which adjourned on June 14, 2023. The Legislature passed a bill relating to economic infrastructure projects. SB1 (35th S.S.) authorizes the developer partner of a qualified major league baseball stadium project to apply to the Stadium Authority for a certificate of eligibility for transferrable tax credits which may be applied to the Modified Business Tax, the gaming percentage fee, or the insurance premium tax (with the exception of any of these taxes generated from activity occurring within the stadium district). A qualified project may be approved for a maximum of \$36 million in tax credits per fiscal year, beginning in Fiscal Year 2026, and a maximum of \$180 million in transferrable tax credits may be awarded to all qualified projects in the state. See “FINANCIAL INFORMATION—2023-2025 Biennium.”

Education Support

Public schools in Nevada are funded primarily from State and local sources and a per pupil payment by the State based on a statutory formula.

In the 80th (2019) Regular Session, the State Legislature passed SB543, which replaced Nevada’s existing education funding plan with the Pupil-Centered Funding Plan beginning with the 2021-2023 biennium. The Pupil-Centered Funding Plan combines money raised pursuant to State law at the State and local levels with money being transferred into the State Education Fund, which will provide a certain basic level of support to each pupil in Nevada which is adjusted (1) to account for variation in the local costs to provide a reasonably equal education opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. SB543 did not create any new funding sources. SB543 eliminated the requirement for the State to guarantee certain local revenues, including the Local School Support Tax (in-state) and one-third (\$0.75) on Assessed Value of Taxable Property (PSOPT). However, SB543 required the State to fund certain increases to the State Education Fund if increases in State revenue are projected for an upcoming biennium and monies which remain in the Fund do not revert to the State General Fund. SB543 created a reserve account (Education Stabilization Account) in which each school district will transfer ending fund balances in excess of a certain percentage of total actual expenditures for the Fund. Furthermore, AB495 passed in the 81st (2021) Legislative Session added a new revenue source to the State Education Fund to aid in increasing the State Education Fund’s self-sufficiency. AB495 imposed an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. AB495 additionally specified that

the portion of the Net Proceeds of Minerals Tax currently deposited in the State General Fund be instead deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan for revenue from the tax imposed in FY 2024 and beyond. For information regarding AB495, see “FINANCIAL INFORMATION—2021-2023 Biennium.”

Pension Plans

[This section to be updated in later draft]

The following is a brief summary of the State’s disclosure relating to the State’s pension systems and is qualified in its entirety by reference to the complete discussion of the State’s pension systems that is attached as Attachment I to this Part II.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees’ Retirement System of Nevada (“PERS”), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators’ Retirement System of Nevada (“LRS”), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada (“JRS”) was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2005 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees’ Retirement Board appointed by the Governor (the “Retirement Board”) administers, and governs investments for, all three systems.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. It should be noted that PERS is a multiple employer retirement system and the State’s responsibility to make contributions to PERS relates only to State employees who constitute approximately 16.2% of total active employees covered by PERS as of June 30, 2021. Under GASB Statement No. 68 accounting rules, as of June 30, 2020, the State’s employer allocation percentage was 16.9% of the net pension liability of PERS. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2021 State ACFR included in this Official Statement as Appendix A to this Part II, and the Pension Plan Information of PERS, LRS, and JRS is included in the Required Supplementary Information to the 2021 State ACFR. The most recent valuation reports for PERS, LRS, and JRS were prepared as of June 30, 2021 and are described in Attachment I to this Part II.

The largest State pension system is PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees’ Retirement Fund (the “PERS Retirement Fund”). PERS is governed by NRS Chapter 286 (the “Public Employees’ Retirement Act”), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. Employers that participated in PERS as of June 30, 2021 include the State, 23 State related boards and agencies and 191 local governments and related districts and agencies. As of June 30, 2021, the entire PERS (of which the State participation relates to approximately 16.7% of PERS employees) includes 106,930 active members (of whom 93,796 are Regular employees and 13,134 are Police/Fire employees); 18,871 vested inactive members; and 75,955 retirees and beneficiaries (of whom 65,988 are Regular retirees, survivors or disability recipients and 9,967 are Police/Fire retirees, survivors or disability recipients).

Measured by the number of active covered employees, the State was the second-largest PERS employer as of June 30, 2021, representing approximately 16.2% of employees covered by PERS. With respect to State employees participating in PERS on a pre-tax contribution basis, half of the amount paid by the State to PERS is offset by corresponding salary reductions of those employees. With respect to State employees participating in PERS on an after-tax contribution basis, for each dollar the State pays to PERS for such employees, the employees pay a like amount directly to PERS. Legislation was enacted in 2010 modifying benefits for members first hired on or after January 1, 2010. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015. The State’s contribution to PERS in FY 2021 was \$175,569,571. For the year ended June 30, 2017, the State adopted Governmental Accounting Standards Board (GASB) Statement No. 82. In conjunction with GASB 82, the State

recognized \$62,522,160 of the employer-paid contributions as being paid by State employees through salary reductions for FY 2021. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase.

The State has made 100% of statutorily required contributions since the inception of PERS. For FY 2017, 2018, 2019, 2020 and 2021, the State contributed \$151,491,716, \$153,762,408, \$161,627,368, \$176,299,827, and \$175,569,571 respectively, to PERS (relating to the State's employee members).

As of June 30, 2021, PERS had a total net position (based on market value) of approximately \$58.46 billion, compared to \$46.74 billion as of June 30, 2020. As of June 30, 2021, the actuarial value of PERS assets was \$50.94 billion (approximately 87.14 % of market value), PERS was 75.4% funded (on an actuarial value basis) and PERS' unfunded accrued actuarial liability (the "UAAL") was \$16.64 billion. These values are for the entire PERS, of which the State is one of numerous participants.

The valuation report for PERS as of June 30, 2022 (the "2022 PERS Valuation Report") is expected to be presented to the Retirement Board on November 17, 2022. The impact of investment losses (on a market basis) for FY 2022 is expected to be reflected in the 2022 PERS Valuation Report. The State does not anticipate updating this Official Statement upon release of the 2022 PERS Valuation Report.

The System's Net Pension Liability as of June 30, 2021 was \$9.119 billion as compared to \$13.928 billion as of June 30, 2020, when measured in accordance with GASB No. 67. The Plan Fiduciary Net Position as a percentage of the Total Pension Liability is 86.5% as of June 30, 2021, as compared to 77.0% as of June 30, 2020.

See Attachment I to this Part II.

Public Employees' Benefits Program

The following is a brief summary of the State's disclosure relating to the State's Public Employees Benefits Program and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment II to this Part II.

The State's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of eleven members, including the Director of the Department of Administration (or his/her designee) and ten members appointed by the Governor, and administers PEBP.

PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) self-insured consumer driven preferred provider organization high deductible health plan ("CDHP"), a low deductible preferred provider organization ("LDPPO"); an exclusive provider organization plan ("EPO Plan"), all of which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP, LDPPO, and EPO Plans, (ii) Health Maintenance Organization ("HMO Plan") that is fully insured by an outside insurance carrier and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 34% of PEBP participants participate in the CDHP, 21% participate in the LDPPO, 7% participate in the EPO plan, 8% participate in the HMO plan and 30% participate in the Exchange. PEBP also offers life insurance benefits as well as an array of voluntary benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures

made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets, including eliminating the retiree health insurance subsidy for all new hires effective January 1, 2012.

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracted with PEBP to provide such benefits to its employees and officers (a “participating local government agency”) are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction of certain eligibility requirements set forth in the Nevada statutes. As of June 30, 2023, the State, the Nevada System of Higher Education and 195 local government agencies are billed for retiree subsidies.

PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the CDHP, LDPPO and EPO Plans or premiums for the HMO Plan. The State subsidy from participating State agencies is deposited into the Active Employees’ Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State (“Payroll Fund”). The Governor’s Finance Office determines the allocation of the State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the State Legislature is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the CDHP, LDPPO, EPO or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees’ Health and Welfare Benefits Fund (“Retirees’ Fund”), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the CDHP, LDPPO, EPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2020, 2021, 2022 and 2023, the State and its component units contributed \$292,590,729, \$272,183,708, \$263,885,832, and \$268,814,209, respectively, to PEBP for employee and retiree benefits. The budgeted contribution for FY 2024 is \$319,982,387. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees’ Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

SB457 of the 2007 Legislative Session created the Retirement Benefits Investment Fund (“RBIF”) and set the Board of Trustees as the members of the PERS Board. The fund is a voluntary investment opportunity for the State and local governments to have assets in their OPEB trusts managed in like fashion to the Public Employees’ Retirement Fund. NRS 355.220 authorizes RBIF to invest the money for trust funds established by government agencies for authorized purposes. It is the responsibility of each participating government agency to contribute, withdraw and use the funds for authorized purposes. The funds in the RBIF may be transferred to the State Retirees’ Health and Welfare Fund created by NRS 287.0436 for the purposes specified in NRS 287.0436. The only instance when PEBP has used these funds was during the 2010 special session. Section 79 of AB3 directed the State Controller to transfer the sum of \$24.7 million to the fund created by NRS 287.0436. By the time the withdrawal occurred, the

market value of the fund had increased which resulted in remaining funds. Although no additional contributions have been made by PEBP, these funds have since been gaining interest and the market value of the fund has grown to approximately \$2.2 million. In March 2021, PEBP withdrew the remaining funds of \$2,161,649.12 from the RBIF account to cover a portion of a shortfall in the Retired Employee Group Insurance subsidy account.

In June 2023, The Segal Group (the “Actuary”) released its Nevada Public Employees’ Benefits Program’s Retiree Health and Life Insurance Plans Actuarial Report for GASB 75 OPEB Valuation for the year ending June 30, 2023 (the “2023 Valuation”). The State is required to prepare an actuarial valuation at least every two years and report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2023, the present value of the benefits of the Plan was \$1,868,741,579 according to the 2023 Valuation. Of this amount, 47% was allocable to currently active employees (future retirees). Active employees include all employees enrolled in PEBP’s plan to include the State and the Nevada System of Higher Education (“NSHE”). As of June 30, 2023, the actuarial accrued liability was \$1,442,207,734, based on the 2023 Valuation.

Active Employee Group Insurance

PEBP may be able to adjust the rates and lower premiums paid by employees in subsequent years if trend and costs stay low to the plan. The State’s share of the cost of premiums for group insurance for each employee is fixed by the State Legislature. However, there is currently no way for the State to take advantage of lower premiums without additional legislative action.

See Attachment II to this Part II.

Insurance Premium Trust Fund

The State is self-insured for general, civil and vehicle liability. The statutory limit on the State’s negligence or tort liability is \$50,000 per claim for causes of action arising before October 1, 2007; \$75,000 per claim effective for causes of action arising on or after October 1, 2007 but before October 1, 2011; \$100,000 for causes of action arising on or after October 1, 2011 and before July 1, 2020; \$150,000 for causes of action arising on or after July 1, 2020 and before July 1, 2022; and \$200,000 for causes of action arising on or after July 1, 2022. The State is also self-insured for comprehensive and collision loss to automobiles and self-insured to \$100,000 for property loss with commercial insurance purchased to cover the excess above this amount. The State currently carries commercial insurance for aircraft liability, crime, excess liability and workers’ compensation. The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. The range of estimated losses from \$7,275,700 to \$26,201,300 has been determined using standard actuarial techniques.

The State pays these claims from the Insurance Premium Trust Fund that is funded from amounts charged to each State agency. The Insurance Premium Trust Fund is shared by both the Nevada Attorney General’s Office and the Nevada Risk Management Division as claims administration is split between the two agencies. The Attorney General’s Office is responsible for administering tort claims (including general, civil, vehicle liability), while the Risk Management Division administers auto (comprehensive and collision), property and workers’ compensation programs.

At June 30, 2022 and 2021, total liabilities exceeded total assets by \$58,851,082 and \$50,400,325 respectively. According to figures derived from actuarial estimates, this Fund is liable for approximately \$76.2 million and \$69.8 million as of June 30, 2022 and 2021, respectively, in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

CYBERSECURITY

The State operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to State systems, data or resources, inappropriate exposure or use of State information, disruption of State services, and damage to State systems.

The year 2020 saw a substantial change to Nevada's government operations and computing environment due to the impact of COVID-19. Many agencies were forced to rapidly deploy a remote workforce, with a majority of State employees working from home for an extended period of time. Since January 2023, agencies have been transitioning back to traditional in-office work schedules, with occasional remote work permitted under certain circumstances. Nevada continues to review remote work practices, seeking to strike a balance between flexibility, service availability, and security best practices.

The State has adopted the Center for Internet Security ("CIS") Critical Security Controls as the primary framework for State Security Program Policy and associated standards, and is continuing to add new governance and revise preexisting standards to reflect CIS guidelines. This policy and set of standards are the baseline controls for reducing or mitigating the risk of impact and/or damage from cybersecurity incidents, applied to all Executive Branch agencies. The CIS controls are supplemented by the NIST Cybersecurity Framework, generally accepted information security best practices, and other State and Federal laws and regulations. Under this guidance, the State continues to invest in multiple technical, operational and policy-driven safeguards intended to support, maintain and prioritize the security of critical infrastructure and information systems, management of risk, and improvement of cybersecurity event detection and incident response.

The responsibility for development, coordination and operational support of this effort rests with the Office of Information Security, under the direction of the State Chief Information Security Officer ("CISO"). The CISO is also responsible for chairing the State Information Security Committee, made up of Information Security Officers from the agencies making up the Executive Branch of State government; this committee is responsible for establishing and reviewing State information security policies and standards, and coordinating statewide security initiatives. In 2021, representatives from the Legislative and Judicial branches of government joined the Committee, enhancing communication, coordination and transparency in matters pertaining to cybersecurity between the branches of government. During the 2023 legislative session, SB431 moved the Office of the Chief Information Officer, which includes the Office of Information Security, into the Governor's office, providing a higher level of visibility and priority to information security governance and programs.

In 2017, the State established the Office of Cyber Defense Coordination as a part of the Department of Public Safety. This office works independently of and in coordination with the CISO to provide notification, outreach and coordination with non-Executive Branch entities, including Local, Territorial and Tribal governments and the private sector.

Through the State's many services and functions, it receives and holds a considerable amount of sensitive information, including PII, Personal Health Information, Federal Tax Information, and Criminal Justice Information. The State takes appropriate steps to protect this information and the surrounding infrastructure, and to detect any anomalous activity in the environment. Internal testing of the cybersecurity and operational safeguards in the State's infrastructure is performed and coordinated by the Office of Information Security, along with assessments by external auditors. However, the State also acknowledges that no amount of defensive or detective measures can keep out a well-resourced, motivated adversary. To this end, the State security program includes technology and procedures focused on supporting incident response and containment, risk and vulnerability management, disaster recovery, and continuity of operations activities. The State has been the subject of cybersecurity incidents that have resulted in, or could have resulted in, the inappropriate exposure or use of this information or adverse impact to the State's technological environment, and that required a response to mitigate the potential consequences. The majority of these incidents have been quickly identified and contained, with no identified loss or exposure of data and minimal impact to productivity, and the number and frequency of these incidents have diminished over the past three years. However, it is possible for the response to a larger incident to incur unanticipated expenses, as happened in the breach of the

State's medical cannabis licensing portal in December 2016. To that end, the State maintains a cyber-liability insurance policy.

STATE LITIGATION

The staff attorneys of the State Attorney General's Office reported that the State or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State and based on the information provided by the staff attorneys, the State Attorney General is of the opinion that the State's ability to pay its general obligation bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared.

Several of the actions pending against the State are based upon the State's (or its agents') negligence or tort liability in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per claim for causes of action arising before October 1, 2007, \$75,000 per claim effective for causes of action arising on or after October 1, 2007, \$100,000 per claim for causes of action arising on or after October 1, 2011, \$150,000 per claim for causes of action arising on or after July 1, 2020, and \$200,000 per claim for causes of action arising on or after July 1, 2022. Buildings and contents are self-insured to \$100,000 for property loss with commercial insurance purchased to cover excess above this amount.

The State and/or its officers and employees are parties to a number of lawsuits that have been filed under the federal civil rights statutes. The State is statutorily required to indemnify its officers and employees held liable for damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several causes of action may be filed against the State based on alleged civil rights violations by its officers and employees. The statutory limit of tort liability (discussed above) does not apply in federal civil rights, federal discrimination and certain employment cases. Accordingly, the potential liability of the State is unascertainable at the present time.

Non-Participating Manufacturers Adjustment relating to nationwide Tobacco Master Settlement Agreement (MSA). In 1998, the State, with 46 other states, and a group of tobacco companies, the Participating Manufacturers, signed the tobacco Master Settlement Agreement ("MSA"). As a signatory to the MSA, the State's diligent enforcement of the provisions of NRS 370A (Qualifying Statute) can be challenged each year by the Participating Manufacturers and may result in arbitration. The State's potential liability is up to the total amount of the MSA payment for every calendar year, which is approximately \$40 million per year. As there is no end date to the MSA, the State must prove diligent enforcement every year and its potential liability remains in perpetuity.

Lincoln County Water District v. Nevada Department of Conservation and Natural Resources, et al. and Coyote Springs Investment, LLC v. Nevada Department of Conservation and Natural Resources, et al., both concern water rights. The State Engineer issued Order 1309 dated June 15, 2020 ("Order 1309"). The Order 1309 combines seven previously stand-alone hydrological basins to one large basin referred to as the Lower White River System Hydrological Basin and limits the amount of water that can be pumped from the basin. Both cases include causes of action for inverse condemnation. The Lincoln County case is in Federal District Court and currently in the discovery phase. The Coyote Springs case is in state District Court and in the discovery phase. A separate State court petition for judicial review was also filed challenging Order 1309. The district court vacated Order 1309 and the State appealed to the Nevada Supreme Court. That matter is still pending.

Brown v. Southern Nevada Adult Mental Health Services ("SNAMHS"). This is a medical malpractice class action. The claims for medical malpractice and conspiracy are a result of the discharge of a person from the mental health hospital who was given a voucher for a bus ticket to California. The jury awarded a plaintiffs' verdict, which was reduced to \$100,000 per plaintiff – the current number of class members is unknown, SNAMHS appealed the verdict. The range of potential loss is \$100,000 to \$10,000,000 depending on the number of class members. The Nevada Supreme Court reversed the jury's verdict, vacated the judgment, and entered judgment for SNAMHS. The District Court allowed plaintiffs to amend their complaint after judgment was reversed. Plaintiffs second amended class action complaint was filed September 12, 2022 alleging claims for negligence and negligence per se. SNAMHS filed a writ petition challenging the District Court's order allowing plaintiffs to file an amended complaint. The District Court case is currently stayed pending the Supreme Court's decision regarding the writ petition.

There are a number of other actions affecting the State, but the State estimates that its potential liability for any single action not described above will not exceed \$10 million.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

This portion of Part II of this Official Statement contains general information concerning the economic and demographic conditions in the State. It is provided so that prospective investors will be aware of factors that may affect future development and growth within the State. The information presented was obtained from the sources indicated, and the State does not guarantee or make any representation as to the accuracy or completeness of the data presented.

Population and Age Distribution

Nevada's population increased from 1,998,257 residents in 2000 to 2,700,551 residents in 2010, then to 3,104,614 residents in 2020, an increase of approximately 35% between 2000 and 2010, and approximately 55% between 2000 and 2020. Nevada's estimated population in 2022 was 3,204,105, which represents an approximately 2.9% increase since 2019 and a 1.4% increase from 2021. Historical and estimated State population figures, by county, are shown in the following Table:

Table 16
Nevada Population by County

	2000	2010	2020	2019	2020	2021	2022
Carson City	52,457	55,274	58,639	56,151	56,434	57,073	58,314
Churchill	23,982	24,877	25,516	25,832	26,202	26,310	26,564
Clark	1,375,765	1,951,269	2,265,461	2,293,391	2,320,107	2,320,551	2,338,127
Douglas	41,259	46,997	49,488	49,537	49,082	49,661	52,674
Elko	45,291	48,818	53,702	55,116	55,435	54,546	56,396
Esmeralda	971	783	729	982	999	1,000	1,068
Eureka	1,651	1,987	1,855	1,955	1,936	1,898	1,847
Humboldt	16,106	16,528	17,285	17,079	17,064	17,202	17,921
Lander	5,794	5,775	5,734	6,109	6,324	6,195	6,158
Lincoln	4,165	5,345	4,499	5,264	5,293	5,188	4,971
Lyon	34,501	51,980	59,235	56,497	57,629	58,051	60,454
Mineral	5,071	4,772	4,554	4,730	4,896	4,826	4,870
Nye	32,485	43,946	51,591	48,472	48,414	49,289	51,334
Pershing	6,693	6,753	6,650	6,935	6,983	6,984	7,344
Storey	3,399	4,010	4,104	4,258	4,304	4,359	4,427
Washoe	339,486	421,407	486,492	469,801	473,606	485,113	501,635
White Pine	9,181	10,030	9,080	10,826	10,477	10,293	10,001
Nevada Total	1,998,257	2,700,551	3,104,614	3,112,937	3,145,185	3,158,539	3,204,105

Source: 2000, 2010, and 2020: U.S. Bureau of the Census Decennial Census, counts as of April 1; 2019-2022: Nevada State Demographer; 2021 Governor's certified series, estimates as of July 1.

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The following Table sets forth a comparative age distribution profile for Clark County, Washoe County, the State and the United States in 2020:

Table 17
Age Distribution

Age	Percent of Population			
	Clark County	Washoe County	State	United States
14 and under	18.8%	17.5%	18.3%	18.2%
15-24	12.1	12.3	11.9	13.0
25-34	14.6	15.0	14.4	13.6
35-54	27.1	25.1	26.4	25.4
55 and older	27.5	30.1	30.0	29.7

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates. Table S0101.

Income

The following Table sets forth annual per capita personal income levels of the Las Vegas-Paradise MSA (which consists of Clark County), the Reno-Sparks MSA (which consists of Washoe County and Storey County), the State and the United States. Quarterly per capita personal income is available for the State and the nation for the first quarter of 2023:

Table 18
Per Capita Personal Income

Year	Las Vegas-Paradise MSA	Reno-Sparks MSA	State	United States
2018	47,814	59,975	49,678	53,786
2019	51,102	62,103	52,602	56,250
2020	53,562	65,705	55,378	59,763
2021	58,276	71,489	60,167	64,117
2022	-- ⁽¹⁾	-- ⁽¹⁾	61,282	65,423
2023	-- ⁽¹⁾	-- ⁽¹⁾	63,759 ⁽²⁾	67,324 ⁽²⁾

⁽¹⁾ Not yet available.

⁽²⁾ Preliminary quarterly per capita personal income for the first quarter of 2023. Source: U.S. Department of Commerce, Bureau of Economic Analysis SQINC1.

Source: U.S. Department of Commerce, Bureau of Economic Analysis SAINC1. U.S. per capita personal income including transfer payments.

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The following Tables depict Median Household Income and Percent of Households by Income Groups for Clark County, Washoe County, the State and the United States.

Table 19
Median Household Income

Year	Clark County	Washoe County	State	United States
2016	\$54,384	\$58,175	\$55,180	\$57,617
2017	57,189	61,498	58,003	60,336
2018	57,076	63,310	58,646	61,937
2019	62,107	71,881	63,276	65,712
2021	61,048	76,220	66,274	69,717

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates. Table B19013. Data in inflation - adjusted 2021 dollars. 2020 only available as experimental estimates.

Table 20
Percent of Households by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under \$25,000	18.6%	13.9%	17.7%	17.4%
\$25,000 - \$49,999	21.2	18.5	20.3	19.1
\$50,000 - \$99,999	30.9	30.2	31.0	29.6
\$100,000 and Over	29.4	37.4	30.8	34.0

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates. S1901.

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Employment

The following Tables set forth labor force and employment statistics for the State.

Table 21⁽¹⁾
Average Annual Labor Force Summary

Calendar Year	2019	2020	2021	2022	2023 YTD⁽⁴⁾
Total Labor Force	1,546,405	1,506,259	1,499,829	1,549,737	1,576,690
Unemployed	63,595	203,777	104,081	83,303	85,803
Unemployment Rate ⁽²⁾	4.1%	13.5%	6.9%	5.4%	5.4%
Total Employment ⁽³⁾	1,482,810	1,302,482	1,395,808	1,466,434	1,490,887

(1) Subject to revision as additional information becomes available, seasonally adjusted data provided.

(2) According to the U.S. Department of Labor, Bureau of Labor Statistics, the U.S. average unemployment rates for the years 2019 through 2022 were 3.7%, 8.1%, 5.4%, and 3.6% respectively.

(3) Adjusted by census relationships to reflect number of persons by place of residence.

(4) Through August 2023.

Source: State of Nevada - Department of Employment, Training and Rehabilitation.

Table 22⁽¹⁾
Average Establishment-Based Industrial Employment by Calendar Year
(Estimates in Thousands)

Industry Classification⁽²⁾	2019	2020⁽³⁾	2021⁽³⁾	2022	2023 YTD⁽⁴⁾
Mining and Logging	14.7	15.0	15.0	15.1	15.2
Construction	96.2	94.4	98.3	106.7	112.1
Manufacturing	59.2	56.3	61.0	65.9	67.5
Trade (wholesale and retail)	187.2	177.1	186.7	194.5	194.6
Transportation, Warehousing and Utilities	75.0	78.6	89.7	97.7	97.6
Information	15.7	13.6	15.5	17.9	18.7
Financial Activities	68.9	67.1	71.1	76.1	75.4
Professional and Business Services	197.0	181.3	191.5	211.4	220.3
Education and Health Services	144.8	142.4	150.0	158.2	166.8
Leisure and Hospitality (casinos excluded)	174.4	136.0	160.5	184.8	194.1
Casino Hotels and Gaming	181.6	121.9	134.7	154.1	161.2
Other Services	41.8	37.2	39.3	42.4	41.9
Government	165.3	160.8	160.9	166.1	172.6
Total All Industries	1,421.9	1,281.7	1,374.2	1,490.6	1,538.1

(1) Based on non-seasonally adjusted CES information as of August 2023. Subject to revision as additional information becomes available. Totals may not add due to rounding.

(2) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple jobholders.

(3) For 2020 and 2021, there is higher-than usual volatility in this data due to national methodological changes to try to incorporate in nearer-real-time the impacts of COVID-19.

(4) As of August 2023.

Source: State of Nevada – Department of Employment, Training and Rehabilitation.

Educational Attainment

The following Table sets forth educational attainment statistics for the State.

Table 23
Educational Attainment
(Civilian Labor Force Aged 25 and Older)

	Male	Female	Total⁽¹⁾
Total population	50.0%	50.0%	100.0%
Educational Attainment Level			
Not a high school graduate	13.1	12.6	12.8
High school graduate (including equivalency)	27.8	26.7	27.2
Some college or associate degree	32.1	32.6	32.3
Bachelor's degree	17.7	18.2	17.9
Graduate or Professional Degree	9.3	10.0	9.6

⁽¹⁾ Totals may not add exactly due to rounding.

Source: U.S. Census, 2021 American Community Survey 1-Year Estimates C15002.

Sales and Use Tax

Aggregate sales and use taxes imposed in Nevada's counties currently range from 6.85% to 8.375% (Esmeralda County and Clark County, respectively). The State General Fund's share (2%) is a major source of revenue for the State's General Fund. See "FINANCIAL INFORMATION—State General Fund Revenue Sources." Clark County and Washoe County are the major sources of taxable sales revenue in the State. The following table presents a record of taxable sales in the State:

Table 24⁽¹⁾
Transactions Taxable Under the Nevada Sales and Use Tax Laws

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
2018	\$58,947,823,520	4.24%
2019	62,561,025,875	6.13
2020	61,365,683,690	(1.91)
2021	67,704,797,544	10.33
2022	81,787,630,231	20.80
2023	86,967,168,094	6.33

⁽¹⁾ Subject to change.

Source: State of Nevada - Department of Taxation.

Gaming and Tourism

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues for the State, as well as for county and other local jurisdictions in which gaming companies operate.

Gross taxable gaming revenue has increased in five of the last six fiscal years. During FY 2020, gaming revenue and collections recorded large decreases compared to FY 2019 as a result of the COVID-19 pandemic and related government responses. However, in FY 2021, gaming revenue and collections recorded substantial increases compared to FY 2020. These increases, in part, were due to the resumption of gaming activities that were temporarily

suspended due to the COVID-19 pandemic during FY 2020. In FY 2022, gaming revenue and collections registered significant increases over FY 2021 and represented all-time records for Nevada.

As the table below illustrates, FY 2023 gaming revenue and collections increased over FY 2022, remained well above pre-pandemic totals, and continued to establish all-time records for Nevada. These increases can be attributed to several factors, including, but not limited to, strong demand for leisure travel both domestically and internationally in conjunction with gaming-related activities, a healthy local economy, and the return of live entertainment and signature special events on the Las Vegas Strip. Nevada has recorded twenty-nine consecutive months of gross gaming revenue amounts in excess of \$1.0 billion even as consumers are facing challenges, including historic levels of inflation, elevated fuel prices and rising interest rates.

Table 25⁽¹⁾
Gross Taxable Gaming Revenues and Total Gaming Taxes

Fiscal Year Ended June 30	Gross Taxable Gaming Revenue ⁽²⁾		State Gaming Collection ⁽³⁾	
	State Total	% Change	State Total	% Change
2019	\$11,358,701,958	0.25%	\$919,517,387	6.14%
2020	9,150,732,262	-19.44	617,451,077	-32.85
2021	10,351,174,837	13.12	885,683,152 ⁽⁴⁾	43.44 ⁽⁴⁾
2022	14,145,165,638	36.65	1,161,473,525 ⁽⁵⁾	31.14 ⁽⁵⁾
2023	14,624,558,312	3.39	1,174,506,278 ⁽⁶⁾	1.12 ⁽⁶⁾
July 2022	1,249,793,886	--	82,046,907	--
July 2023	1,287,817,663	3.04	96,036,392	17.05

(1) The figures shown are subject to adjustments due to amended tax filings, fines, and penalties.

(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

(3) Based upon the taxable revenues generated in the previous month. Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to State funds other than the State's General Fund.

(4) Includes approximately \$118.0 million in unused tax credits that were collected in FY 2020 and transferred to FY 2021 at fiscal year-end.

(5) Includes approximately \$1.6 million in unused tax credits that were collected in FY 2021 and transferred to FY 2022 at fiscal year-end.

(6) Includes approximately \$3.7 million in unused tax credits that were collected in FY 2022 and transferred to FY 2023 at fiscal year-end.

Source: Nevada Gaming Control Board.

Gaming Is a Highly Regulated Industry. The five-member Nevada Gaming Commission and the three-member Nevada Gaming Control Board, both appointed by the Governor, investigate and approve all licenses, establish operating rules, monitor the activities of licensed establishments, and collect State gaming fees and taxes. In addition to the State, local governments also license, levy taxes, and regulate gaming establishments and licensees. The laws, regulations, and ordinances of both state and local governments regulate the licensing, operations, and financial stability of the businesses as well as the background and character of the owners, managers, and persons with financial interests in the gaming industry.

The Gaming Industry Is Highly Competitive. Prior to the 1980s, Nevada was the only state with legalized casino gaming, although some forms of gaming (such as pari-mutuel horse, dog, and jai alai betting) existed in other states. A significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. According to the American Gaming Association, there are currently 43 states with some form of legalized commercial or tribal gaming, including land-based casinos, riverboats, racetrack casinos (racinos), online gaming (igaming) and electronic gaming devices at bars, restaurants or other licensed establishments. In many of these states, there are multiple forms of gaming in operation. Overall, 27 states have commercial (commercial casinos/racinos) casinos, 29 states have tribal casinos, 11 states have legal electronic gaming devices in non-casino/racino locations, and 7 states offer igaming. While Nevada continues to be the largest commercial casino market in the United States, California generates the most gaming revenue from Native American gaming facilities.

Gaming continues to expand in foreign countries as well. Nevada no longer enjoys a near-monopoly on the United States gaming market as it did historically. Competition from casino gaming, state-run lotteries, and other forms of gaming will likely continue to increase in the future. Additionally, on May 14, 2018, the Supreme Court of the United States ruled the Professional and Amateur Sports Protection Act was unconstitutional, allowing other states to consider legalized sports wagering. As of now, 34 other states, plus Washington D.C., have legalized and implemented sports wagering within their respective states, with several others considering legalization. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain.

Information relating to the occupancy rates of hotels is not available on a state-wide basis. This information is generally only available for Clark County (Las Vegas) and for Washoe County (Reno and Sparks) as provided in the following Tables:

Table 26
Visitor Volume and Room Occupancy Rate
Las Vegas Metropolitan Area, Nevada

Calendar Year	Total Visitor Volume	Average Nightly Number of Rooms		National Occupancy Rate
		Available	Occupancy Rate	
2018	42,116,900	149,158	88.2%	66.2%
2019	42,254,000	149,422	88.9	65.3
2020	19,031,100	143,117	42.1	[44.0]
2021	32,230,600	150,487	66.8	[57.6]
2022	38,829,300	150,964	79.2	[...]
2022 YTD ⁽¹⁾	18,580,000	151,703	76.4	[70.1 ⁽²⁾]
2023 YTD ⁽¹⁾	20,324,900	151,797	84.0	[69.7 ⁽²⁾]

⁽¹⁾ Through June. Source: LVCVA (<https://www.lvcva.com/research/?tab=tourism-tracker#tab-container>)

⁽²⁾ Through June. Source: STR (<https://str.com/press-release/str-us-hotel-performance-june-2023>)

Source: Las Vegas Convention and Visitors Authority.

Table 27
Visitor Volume and Room Occupancy Rate
Washoe County, Nevada

Calendar Year	Total Visitor Volume⁽¹⁾	Average Nightly Number of Rooms Available	Occupancy Rate⁽²⁾	National Occupancy Rate
2018	4,275,102	23,404	67.9%	66.2%
2019	4,131,061	23,129	64.6	65.3
2020	2,654,786	19,173	50.6	[44.0]
2021	3,744,027	16,228	60.9	[57.6]
2022	3,841,956	16,407	61.6	[...]
2022 YTD ⁽³⁾	1,875,551	16,453	55.5	[57.4 ⁽⁴⁾]
2023 YTD ⁽³⁾	1,871,929	16,225	54.3	[63.6 ⁽⁴⁾]

(1) Visitor volume through June, 2023. Source: Reno-Sparks Convention and Visitor's Authority (<https://www.rscva.com/wp-content/uploads/2023/08/1-Visitor-Counts-July-2023.pdf>).

(2) The rooms and units in all types of accommodation (with three or more rooms/units) licensed with the Reno-Sparks Convention and Visitors Authority to rent rooms/units on a short-term basis.

(3) Through March. Source: Nevada Division of Tourism (<https://travelnevada.biz/wp-content/uploads/DTF-2023-Q1.pdf>).

(4) Through July. Source: STR (<https://str.com/press-release/str-us-hotel-performance-september-2022>).

Source: Reno-Sparks Convention and Visitors Authority.

Table 28
Convention and Visitors Authority Room Tax Revenue

Las Vegas Convention and Visitors Authority			Reno Sparks Convention and Visitors Authority		
Calendar Year	Revenue⁽¹⁾⁽²⁾	% Change	Calendar Year	Revenue⁽¹⁾⁽³⁾	% Change
2018	\$282,596,040	0.03%	2018	\$23,158,851	5.91%
2019	296,668,894	4.98	2019	23,429,307	1.17
2020	117,480,364	-60.40	2020	12,973,806	-44.62
2021	224,539,457	91.12	2021	22,951,616	76.91
2022	[224,539,457]	[91.12]	2022	25,809,349	12.45
2022 YTD ⁽⁴⁾	[160,988,555]		July 2022	14,820,561	
2023 YTD ⁽⁴⁾	[153,331,866]	[58.06]	July 2023	15,688,824	5.86

(1) The room tax revenue is retained locally and is not part of the State's room tax revenue.

(2) Room tax revenue is based on actual room tax collections and does not include revenues from SB-1 legislation that are dedicated to the Las Vegas Convention Center expansion.

(3) Room tax revenue is estimated based on percentage of total taxable revenue generated.

(4) Through May (Las Vegas), July (Reno).

Source: Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority.

Transportation

Las Vegas and Reno, the State's two major population centers, are 400 miles apart. Both cities have airports designated as international ports of entry and are served by scheduled airlines and supplemental charter carriers.

The Harry Reid International Airport in Las Vegas reported a total of 52.67 million commercial and charter passengers enplaned and deplaned in 2022, making it the busiest year in the airport's history. This reflected an increase from the pre-COVID-19 pandemic previous high passenger count of 51.54 million in 2019 (an increase of 1.13 million passengers or 2.2% over 2019). 2023 statistics through July indicate continued growth, with a passenger count of 33.1 million in 2023 versus 29.15 million over the same period in 2022, an increase of 3.95 million passengers or 13.5%.

The Reno/Tahoe International Airport reported having a total of 4.45 million passengers enplaned and deplaned in 2019, the largest number of annual passengers since 2007. 2022 statistics for this airport show a continuing recovery from this pre-COVID pandemic high, with 4.31 million passengers enplaned and deplaned. 2023 statistics through June indicate continued growth, with a passenger count of 2.19 million in 2023 versus 2.04 million over the same period in 2022, an increase of 149,090 passengers, a 7.3% increase. 2023 statistics through June also exceeded the 2019 statistics for the same period by 3.6% (2.19 million passengers in 2023 versus 2.12 million passengers in 2022).

Two major railroads cross Nevada, while short lines serve as feeders. Several national bus lines and trucking lines serve the State.

Brightline West, a Brightline affiliated company, plans to build a fully electric, high-speed train that would connect Las Vegas and Southern California by 2028. The 218-mile high-speed line would link Las Vegas, Nevada with Rancho Cucamonga, California. From there, riders can connect to Los Angeles via Metro-Link. Construction is expected to commence in 2024 and be completed in 2028. The rail option is expected to take half the time of driving. This transportation option is expected to provide a fast and efficient connection that gets people out of their cars, reduces traffic congestion, and decreases air pollution. Once in full operation, Brightline estimates that the line will carry 10 million passengers annually. Additional information is available at brightlinewest.com.

The State highway system consists of approximately 5,400 centerline miles, which includes the federal-aid highway system and other improved roads. There are nine federal highways in Nevada, three of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects with the San Francisco Bay area and the Reno-Sparks area. Interstate 580 connects Reno and Carson City. The full 15 miles of Interstate-11 (aka Boulder City Bypass) opened on August 8, 2018. This is the first segment of Interstate-11 in the United States. Interstate-11 will connect Phoenix and Las Vegas, the two largest metropolitan cities not connected via an interstate. Ultimately Interstate-11 is planned to be a north-south interstate connecting Mexico and Canada as a secondary route to Interstate 5.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Fallon and Ely, Nevada, respectively. South of Las Vegas, U.S. Highway 95 extends to the Mexican border, generally following the Colorado River, and U.S. Highway 93 crosses into Arizona. U.S. Highway 395 connects Nevada with Washington, Oregon, and California, as well as Canada, and U.S. Highway 6 connects California, Nevada, Utah all the way out to at least Iowa.

Nevada is less than one day's drive to more than 40 million consumers and five major U.S. ports serving the Pacific Rim. Northern Nevada is at the center of the western region, with 11 states and 53 million people only one day's drive away. Southern Nevada is just hours away from the Southern California markets and within 2-day delivery of nearly every state west of the Mississippi River.

Economic Development

The Nevada Governor's Office of Economic Development ("GOED") promotes a robust, resilient, and prosperous economy in Nevada, stimulates business expansion and retention, encourages entrepreneurial enterprise, attracts new businesses, and facilitates community development. GOED is assisted by Regional Development Authorities across the State when a business chooses to locate or expand within their respective region.

For FY 2023, the State's economic development efforts resulted in approximately \$5.3 billion of recent or anticipated business investment in the State, 1,618 new jobs, within the first two years of operation, and the arrival or expansion of 20 companies. GOED and the Nevada Department of Taxation monitor this investment on an ongoing basis in order to determine actual outcomes against projected outcomes.

GOED has five industry focal areas (including multiple sub-sectors under each):

- Information Technology
- Transportation and Logistics

- Natural Resource Technologies
- Hospitality, Tourism, Sports, and Creative Industries
- Advanced Manufacturing

Additionally, GOED is advancing the development of emerging industry clusters that center on water technology, unmanned aerial systems, blockchains technology, artificial intelligence, robotics, and advanced manufacturing. Nevada's ability to grow its industries is dependent upon a trained workforce, and GOED plays an important role in ensuring that industry demand is matched with an educated, skilled, and available workforce.

GOED is able to offer incentives to qualifying companies, following GOED Board approval, to create jobs and alleviate some costs associated with expanding or relocating in the State. GOED's incentives include: Sales and Use Tax Abatement; Modified Business Tax Abatement; Personal Property Tax Abatement; Real Property Tax Abatement for Recycling; Data Center Abatement; Aviation Parts Abatement; \$1 Billion Investment Tax Abatement and \$3.5 Billion Investment Tax Abatement. Via these and other programs, GOED has helped attract several new business investments to the State, including Tesla, Switch, Google, Panasonic, and Redwood Materials, Inc. GOED's efforts have also attracted multiple companies within the lithium-ion battery economy, as well as assisted with developing a diverse range of advanced and developing manufacturing companies in the State.

GOED's International Trade Division ("ID") facilitates export growth of Nevada companies abroad, increases foreign direct investment in the Silver State, recruits foreign expansion, fosters higher education global partnerships, and is responsible for international entrepreneurship and innovation projects, and diplomatic protocol. ID performs activities by promoting Nevada's small to medium enterprises nationwide and globally through cultivating high-level partnerships with federal, state, local, foreign governments, and international organizations and associations in numerous countries around the world, specializing in international trade, export assistance, and foreign investment.

The Nevada Film Office ("NFO") is a GOED division that provides assistance to the local and national television and film production community. The NFO administers the Transferable Tax Credits for Film and Other Productions program which incentivizes productions that meet certain spending requirements to film in the state, creating jobs and local spending. In 2023, 13 productions applied for \$8,846,631 in tax credits and 5 productions received tax credits totaling \$2,837,547.

Around since the 1980s, the Nevada APEX Accelerator (formerly known as the Nevada Procurement Technical Assistance Center ("PTAC"), Procurement Outreach Program), is a division of GOED that provides procurement technical assistance to for-profit Nevada businesses with goods and/or services to sell, especially the small businesses, that are interested in pursuing contracting opportunities with government agencies that have procurement needs, and, subcontracting opportunities with government prime contractors also with procurement needs, at every level (local, state, and federal) in Nevada and across the United States.

The Nevada Local Emerging Small Business Certification is administered by GOED and assists small businesses to be considered for potential work with state and local government agencies in Nevada.

The Rural Community and Economic Development Division in GOED promotes community development throughout rural Nevada. The Division administers the State's Non-Entitlement Community Development Block Grant ("CDBG") Program which aids in the development of suitable living conditions, increases the supply of decent housing, and helps create economic opportunities in the rural parts of the State. In 2023, 6 projects were funded in the statewide program for a total of \$2,708,537. Additionally, through the CDBG CARES ("CDBG-CV") program, the division allocated an additional \$14,044,622 in funding to support rural communities to prevent, prepare for or respond to the COVID-19 pandemic. An additional \$443,575 in CDBG-CV funds remains to be distributed.

GOED has received \$1,620,125 in new funding for a Recovery Housing Program (RHP) from the Department of Housing and Urban Development (HUD). The State of Nevada has identified a need to improve access to recovery housing to ensure individuals can maintain recovery in a safe, affordable, and supportive environment. To improve access to recovery housing, GOED will award RHP funds to one or more entities to preserve and/or rehabilitate

transitional housing. The pilot program authorizes assistance to grantees (states) to provide stable, temporary housing (up to 2 years) to individuals in recovery from a substance use disorder.

The Rural Division also administers the Nevada Main Street Program, a holistic approach to downtown revitalization that involves business creation/retention, historic preservation, and housing to develop healthy and economically vibrant communities. The state program began in 2017 and provides a framework for communities to address a full range of issues and challenges facing traditional commercial districts, creating additional capacity and opportunities in rural Nevada that didn't previously exist. There are currently 21 active Main Street organizations in Nevada. In 2021, six grants were awarded statewide for a total of \$126,034. In 2023, additional grants will be awarded to assist with economic vitality and economic and community development.

The American Rescue Plan Act of 2021 ("ARPA") reauthorizes and amends the Small Business Jobs Act of 2010, which established the State Small Business Credit Initiative ("SSBCI") Program to provide funding for financing and technical assistance for small businesses. The State received an allocation of \$105 million with a potential additional incentive allocation of \$7.28 million under this program, which will be distributed to the State in three equal three-year tranches. GOED is the designated State agency to administer the State's new SSBCI Program. Nevada's SSBCI Program commenced in January 2023. It is operated by Nevada Battle Born Growth Escalator, Inc. a corporation for public benefit and 501(c)(3) non-profit created by GOED in 2016. Nevada's SSBCI Program contains four loan programs and one venture capital program, Battle Born Venture. GOED also received approval by US Treasury for its Technical Assistance (TA) program under SSBCI which is expected to start in the fourth quarter of 2023. GOED will partner with the Nevada Small Business Development Center (SBDC) which will be the sole subrecipient of the TA grant.

GOED oversees the Knowledge Fund. At the 82nd (2023) Regular Legislative Session, the Knowledge Fund was approved for a \$5 million allocation for the FY 2024 biennial budget to obtain this funding, the eligible three research institutions of the Nevada System of Higher Education (University of Nevada Las Vegas, University of Nevada Reno, the Desert Research Institute) submit applications to GOED for projects that could benefit from Knowledge Fund support. Those projects are intended to spur research, innovation, and commercialization in Nevada. GOED has contracted with all three research universities and the Knowledge Fund allocation for this biennium has been fully encumbered.

Following the passage of AB77 of the 82nd (2023) Regular Legislative Session, GOED will also house the newly created Office of Entrepreneurship which will work with stakeholders and organizations supporting entrepreneurship in the State to enhance the skills of entrepreneurs and provide support and guidance. The Office will be tasked with developing and tracking relevant data and metrics culminating in an annual status assessment of entrepreneurship that will include many key indicators and metrics for new, young companies such as state government contracts obtained, demographic, regional data, and recommendations for improving overall entrepreneurship in the state. It will also serve as the point of contact to assist businesses in operation for five years or less in their interactions with state agencies and, where appropriate, refer businesses to other state and local agencies that help businesses and work with GOED to encourage that five percent of the total number of state government contract to be awarded to Nevada's small businesses.

GOED also administers the Workforce Innovations for a New Nevada ("WINN") Program. Through WINN, GOED partners with companies and Nevadan higher learning institutions to address the availability and capacity of training programs enabling companies to recruit from a pipeline of qualified employees. WINN also allows Nevadans to receive the training necessary to access high-skill and high-wage occupations in Nevada's most promising and emerging industries. As of August 2023, WINN has allocated over \$19 million to priority projects since its inception in 2017. The fund received an allocation of \$1.5 million of State General Funds for the 2021-2023 Biennium and obtained an additional \$1 million through an interlocal agreement with the Department of Employment, Training and Rehabilitation.

The State was selected by the Federal Aviation Administration ("FAA") in 2013 as one of seven test site locations for the flying of Unmanned Aerial Systems ("UAS"). This 10-year designation assists the FAA in advancing UAS integration in the commercial airspace by providing an avenue for drone industry research and development, operational concept validation, and testing. GOED has established a partnership with the University of Nevada Reno

and the Nevada Center for Autonomous Research to advance the industry and meet the requirements outlined in the State's agreement with the FAA.

Federal Activities

Operations and facilities of the federal government in the State have been significant, beginning with Hoover Dam in the 1930s, an Army Air Force gunnery school (which later became Nellis Air Force Base) during World War II, and the subsequent creation of the Nevada National Security Site (formerly the Nevada Test Site). Currently, the following major federal activities are located in the State.

Hoover Dam. Hoover Dam, operated by the Bureau of Reclamation, is a multiple-purpose development. The dam controls floods and stores water for irrigation, municipal and industrial uses, hydroelectric power generation, and recreation. Hoover Dam is one of the world's largest hydroelectric installations with a capacity of more than 2,000 megawatts. Hoover Dam also is a major tourist attraction in Clark County.

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of North Las Vegas. The base itself covers more than 14,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is over three million acres. The base hosts numerous military programs as well as civilian workers. It is the home base of the "Thunderbirds," the world famous air demonstration squadron.

Nevada National Security Site. The Nevada National Security Site ("NNSS") was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the Nevada Site Office of the U.S. Department of Energy ("DOE"), NNSS use has diversified into many other areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in this remote desert area. NNSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles north of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center. NNSS comprises approximately 1,350 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain for use as a protected wildlife range and for a military gunnery range, creating an unpopulated area of approximately 5,470 square miles. Federal employees and independent contractors are employed at NNSS.

Yucca Mountain. The Federal government previously planned to use Yucca Mountain (located approximately 90 miles northwest of Las Vegas in Nye County) as a national repository for high-level radioactive waste and spent nuclear fuel from civilian nuclear power plants around the country. The DOE submitted in 2008 a license application to the U.S. Nuclear Regulatory Commission (the "NRC") seeking authorization to construct the nuclear waste and spent fuel repository, but the NRC suspended its review. Following various challenges, in 2013 the U.S. Court of Appeals for the District of Columbia Circuit ordered the NRC to resume the statutory license review process unless Congress declares otherwise through legislation or until appropriated funds are depleted. While NRC review of the Yucca Mountain application continues, there are significant hurdles to its approval, strong opposition to the project, and a current lack of federal funding (no new funds appropriated since September 2010). The Biden Administration (the "Administration") has not included Yucca Mountain in its fiscal year 2024 budget request. In February 2021 through May 2021 President Biden and Energy Secretary Jennifer Granholm made public statements declaring that the Administration would no longer pursue Yucca Mountain. There were no Congressional budget actions for fiscal year 2024 appropriations for DOE and NRC. Supporters of Yucca Mountain in Congress have stated that they will continue to try to add funding. While those efforts to add funding appear unlikely to succeed, there is no way of knowing at present whether or when Congress will provide new Yucca Mountain funding. Congress is also considering authorizing legislation which could revive the DOE repository program and speed-up the NRC licensing process. Therefore, the status of the proposed high-level nuclear waste repository at Yucca Mountain remains uncertain as of September 2023.

Mining

Nevada is called the "Silver State" because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Today, Nevada's mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. The total value of mineral production (excluding oil, gas and geothermal) in Nevada reached

\$9.3 billion in 2022. Gold is the primary source of mining revenue which reached \$7.3 billion in 2022. Nevada leads the nation in gold production and has one of the two operating lithium mines in the U.S.

Oil and natural gas exploration activity continues in Nevada, albeit at a slow pace compared to other regions in the country. During 2022, 234,686 barrels of oil were sold. There are no commercial sales of natural gas in Nevada; however, small quantities are produced and used to fuel oil production facilities on leased sites.

Net geothermal energy production sold totaled 3.93 million megawatt-hours in 2022 from 26 electrical generating plants. Nevada remains the second largest geothermal energy producer in the nation, behind California.

According to the Nevada Department of Employment, Training and Rehabilitation, in 2022, an average of 15,008 people were directly employed in the minerals industry at an average annual salary of \$109,000.

According to the Nevada Division of Minerals, gold and silver currently account for approximately 79% of total value of metal and non-metal mine production in the Nevada mining industry. The following Table compares the calculated value of mineral production for the periods indicated:

Table 29⁽¹⁾
Mineral Production

Calendar Year Ending	Millions of Dollars	% Change
2018	\$7,909	-4.2%
2019	7,735	-0.2
2020	9,201	19.0
2021	9,327	1.4
2022	9,341	0.2

⁽¹⁾ Estimates. Does not include oil, gas and geothermal energy.

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

The following Table presents the amount of selected mineral commodities produced in the State during the periods indicated:

Table 30
Mineral Production
(By Weight)
(In Thousands)

	2018	2019	2020	2021	2022
Gold	5,581 oz	4,868 oz	4,633 oz	4,502 oz	4,045 oz
Copper	144,656 lbs	143,718 lbs	154,265 lbs	163,733 lbs	141,769 lbs
Silver	8,011 oz	6,252 oz	6,127 oz	6,218 oz	5,474 oz
Gypsum	3,340 tons	1,930 tons	2,417 tons	2,539 tons	1,758 tons
Lithium Compounds	12,909 lbs	7,888 lbs	6,903 lbs	12,964 lbs	8,301 lbs

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

Electric Utilities

NV Energy, Inc. (“NV Energy”), formerly Sierra Pacific Resources, was acquired by Berkshire Hathaway Energy in 2013. Through its subsidiaries, which include Sierra Pacific Power Company and Nevada Power Company (each doing business as NV Energy), NV Energy supplies electric service to Las Vegas and surrounding Clark County, and to much of northern Nevada. NV Energy through its subsidiaries provides electric and natural gas services to a

range of approximately 1.5 million residential, commercial, industrial and public sector customers. Under current Nevada law, a single electric company may be the only authorized electricity provider within a particular region within the State.

Water

Nevada is part of the intermountain west and is bordered by California, Oregon, Idaho, Utah, and Arizona. The basin and range province of Nevada form a large part of the Great Basin, an arid region in the western U.S. bounded by the Sierra Nevada Mountains to the west and Rocky Mountains to the east, where annual rainfall averages less than ten inches. On average, Nevada receives less annual precipitation than any other state in the U.S. The availability of water is important to continued growth and development in the State, particularly in its two most populous counties, Clark County and Washoe County. The water providers for those two counties are briefly discussed below.

Clark County

The major water purveyors in Clark County are the Big Bend Water District; the cities of Boulder City, Henderson, and North Las Vegas; the Las Vegas Valley Water District (“LVVWD”); and Nellis Air Force Base. The LVVWD provides water service to the City of Las Vegas and most of the unincorporated urban areas of Clark County. Jean, Kyle Canyon, Blue Diamond, and Searchlight have their own water systems, but the LVVWD serves as their operating agent. The Big Bend Water District, operated by the LVVWD, serves the Town of Laughlin, and the LVVWD operates the Coyote Springs Water Resources General Improvement District and serves as the manager of water resources. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

The Southern Nevada Water Authority (“SNWA”) was established in 1991 to cooperatively manage water resources on a regional basis. The seven members of the SNWA include the cities of Boulder City, Henderson, Las Vegas, North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District, and the LVVWD. The SNWA works collaboratively with its member agencies to manage regional water facilities; implement regional water resource management and water conservation programs; manage and develop additional water supplies for Southern Nevada; and expand and enhance regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA. The SNWA has no employees of its own.

The 1922 Colorado River Compact defined the geographic areas of the upper and lower basins of the Colorado River, apportioning 7.5 million acre-feet of water per year (“AFY”) to each basin. Of the Lower Basin’s 7.5 million AFY, the Boulder Canyon Project Act authorized the apportionment of 300,000 AFY to Nevada. The SNWA is Nevada’s largest Colorado River contract holder with an estimated consumptive-use entitlement of 276,205 AFY plus any of Nevada’s unused Colorado River apportionment from non-SNWA water users. Consumptive use is the amount of water diverted less the amount returned to the river.

The SNWA depends on the Colorado River for approximately 90 percent of its water supply and diverts this resource from SNWA intake and pumping facilities at Lake Mead. Colorado River water supplies are derived primarily from snowmelt runoff from the Rocky Mountains. The persistence of decades-long drought and changing climate conditions have resulted in below-average runoff and significant water-level declines at major system reservoirs. As of August 2023, the Colorado River’s two primary reservoirs, Lake Mead and Lake Powell, were at 30 percent and 40 percent of capacity, respectively. Studies released by the U.S. Bureau of Reclamation in 2012 and 2022 call attention to a growing supply and demand imbalance within the basin, resulting from increased demands associated with population growth and decreased supplies due to drought and climate change.

Working with the seven Colorado River Basin States (Seven States) and the country of Mexico, the federal government implemented several agreements and amendments to the US-Mexico water treaty (Minutes) designed to slow the decline of Lake Mead water levels and preserve system operations. The 2007 Interim Guidelines for the Coordinated Operations of Lake Mead and Lake Powell (Interim Guidelines) and Minute 319 of the US-Mexico Water Treaty established rules for implementing shortages in the Lower Basin. In 2019, the SNWA and other Colorado River users approved the Lower Basin Drought Contingency Plan (DCP) and Minute 323 of the US-Mexico Water Treaty which established the Binational Water Scarcity Contingency Plan (BWSCP). Nevada’s obligation under these

agreements is triggered when Lake Mead water levels decline to specified elevation thresholds. These obligations range from 8,000 AFY to a combined maximum of 30,000 AFY at the highest and lowest elevation thresholds, respectively. If at any time the U.S. Bureau of Reclamation's minimum probable forecast of Lake Mead elevation is projected to be at or below an elevation of 1,030 feet, the Secretary of the Interior will consult with Lower Basin stakeholders to determine if additional actions are needed to protect Lake Mead's elevation from declining below 1,020 feet.

Between 2020 and 2022, Nevada, Arizona and Mexico made shortage, DCP and BWSCP contributions totaling 1,095,000 acre-feet. The combined contributions from these parties were not enough to stabilize Lake Mead's water level from further decline and the Secretary of the Interior made the second consecutive shortage declaration for 2023 operations. As a result, total Colorado River supplies available to Nevada, Arizona and Mexico were reduced by 721,000 acre-feet in 2023. Nevada's share of this amount was 25,000 acre-feet. A Lower Basin shortage will be declared for 2024, and U.S. and Mexico Colorado River supplies will be reduced by 613,000 acre-feet, with Nevada contributing 21,000 acre-feet of this amount. Shortage conditions are anticipated to persist within the Colorado River Basin over the SNWA's long-term planning horizon.

New modeling conducted by the U.S. Bureau of Reclamation in 2022 prompted the federal government to call upon the Seven States for additional cuts to protect critical water and hydropower operations at Lake Powell and Lake Mead. The Lower Basin States submitted a plan after the U.S. Bureau of Reclamation initiated a Supplemental Environmental Impact Statement process to evaluate alternatives. The Bureau is still preparing the necessary analysis of the alternatives including the Lower Basin Plan. It is anticipated that environmental compliance will be completed in early 2024. The Lower Basin Plan, if implemented seeks to add 3.0 million acre-feet to Lake Mead from 2023-2026 through water conservation activities. Nevada's share of this action can be satisfied storing 285,000 acre-feet of its unused water in Lake Mead. The Bureau has also begun the process of renegotiating the Interim Guidelines and DCP which are set to expire in 2026.

The SNWA has taken several steps to reduce local impacts on water supplies and facilities. Key actions include implementing aggressive conservation programs and efficiency policies designed to reduce consumptive use, constructing new major facilities at Lake Mead, and acquiring new water supplies that can be used flexibly to offset Colorado River supply reductions. These efforts are briefly described below.

Facility Improvements:

As of August 1, 2023, Lake Mead's surface elevation has declined by more than 150 feet since 2000. Until 2020, SNWA pumping facilities were limited in their operating range relative to the elevation of Lake Mead. To mitigate impacts associated with a potential Lake Mead water-level decline below 1,000 feet and potential water quality concerns during low storage conditions, the SNWA constructed a new intake and pumping station at Lake Mead. The SNWA placed its new intake (Intake No. 3) and Low Lake Level Pumping Station into service in 2015 and 2020, respectively. Together, these facilities preserve existing capacity and allow the SNWA to pump from a Lake Mead elevation of 875 feet. This elevation is approximately 20 feet below the minimum elevation that Hoover Dam can release water downstream.

Water Banking:

Local water agencies began storing or "banking" water in the Las Vegas Valley in the Late 1980s. Through various programs and agreements, the SNWA has expanded banking efforts to include storage in the Arizona Water Bank and California Water Bank, and in Lake Mead in the form of Intentionally Created Surplus. Through 2022, the SNWA has accrued more than 2.3 million acre-feet of water. This amount is more than ten times Nevada's 2022 consumptive use of Colorado River. Banked resources can be used to meet potential short-term gaps between supply and demand, serving as a bridge to meet demands while other resources are being developed. In some cases, these resources can also be used to offset Colorado River supply reductions due to mandatory shortages and to meet DCP contributions.

Water Conservation:

The SNWA diverted 458,093 acre-feet of water from the Colorado River in 2022 and consumed 217,440 acre-feet of its annual entitlement. Nevada's total consumptive water use in 2022 was 223,670 acre-feet, well below any water-supply reduction amount that could be imposed under existing agreements. Conservation remains a top priority for the SNWA, particularly the reduction of consumptive water uses. The SNWA and its member agencies implemented several program and policy changes in 2021 and 2022, including prohibitions on new golf course development, reductions to existing golf course water budgets, pool development standards, cooling efficiency standards and limitations on new turf installations. The SNWA is also working to implement Nevada Assembly Bill No. 356, adopted by the Nevada State Legislature in 2021, which prohibits the use of Colorado River water to irrigate non-functional turf in non-single family residential applications by 2027.

In June 2023, Nevada's Governor signed Assembly Bill No. 220 into law, granting SNWA the ability to limit water use at single-family homes to about 163,000 gallons a year if conditions on the Colorado River worsen. The restrictions would go into effect only if Nevada's Colorado River allocation is reduced to 270,000 acre-feet or less and the SNWA Board of Directors votes to implement the water use limit. Likewise, the legislation requires water agencies to determine whether there is an adequate water supply for new development, prohibits new septic tanks in the Las Vegas Valley and creates a financial assistance program to help existing septic users who want to convert to the sewer system. It also requires new development to install water-efficient irrigation fixtures, prohibits grass in new development and requires functional grass to be watered efficiently.

In addition to aggressive water conservation measures, the SNWA developed and maintains a comprehensive Water Resource Plan to manage current and future resources available to Southern Nevada. The plan, which was first adopted in 1996, is reviewed annually and updated as needed. The Water Resource Plan provides a demand projection for Southern Nevada and outlines a portfolio of water resource options to meet projected water demands over a 50-year planning horizon. This portfolio approach enables the SNWA to respond quickly to changing conditions. The portfolio of resources as described in the SNWA Water Resource Plan includes Nevada's 300,000 AFY Colorado River apportionment and associated return-flow credits; Las Vegas Valley and in-state groundwater; domestic and intentionally created surplus water; water resources banked in the Las Vegas Valley and the states of Arizona and California; and other current and future supplies.

While the Colorado River Basin continues to experience drought conditions, the SNWA has acquired and is developing new water resources that will be managed in tandem with Colorado River supplies. These resources, paired with expected conservation gains, are designed to enable the SNWA to meet current and projected water demands over the long-term planning horizon, though no assurance can be given that such demands will be met. The SNWA's Water Resource Plan was updated in 2023 and outlines the SNWA's approach to meeting demands during declared shortages under existing policies through 2072. Response measures include the use of intentionally created surplus, banked resources, shortage-sharing agreements, and targeted conservation measures. The SNWA also continues to work with the other Colorado River Basin states and Mexico to identify and explore options for long-term augmentation of Colorado River resources. The next SNWA Water Resource Plan update is scheduled for 2024.

With continued progress toward conservation goals, SNWA's Water Resource Plan demonstrates SNWA's ability to continue meeting demands utilizing its portfolio of water resources under varied conditions, including currently defined shortage levels and projected effects of climate change. Projections of water resources availability and water demands are subject to uncertainty resulting from numerous variables and the actual results may differ, possibly materially, from those contemplated in the projections. The water systems across southern Nevada are susceptible to certain risks posed by persistent, severe drought, seismic activity, and power outages.

Washoe County

The primary source of water for Washoe County is the Truckee River, which flows from Lake Tahoe to Pyramid Lake (approximately 120 miles). Underground water and individual private wells augment the river water supply, particularly in the unincorporated areas of Washoe County. The Washoe County water system is susceptible to certain risks posed by flooding, drought, and seismic activity. Certain of these risks may be mitigated by the purchase of insurance, however it is not possible to predict whether insurance coverage will be sufficient to pay off the costs associated with a natural disaster.

Regional planning of water resources in certain portions of Washoe County is the responsibility of the Northern Nevada Water Planning Commission (the “Planning Commission”) and the Western Regional Water Commission (the “Regional Commission”). The Regional Commission is governed by a Board of Trustees comprising representatives of the City of Reno, the City of Sparks, Washoe County, the Truckee Meadows Water Authority (“TMWA”), the Truckee Meadows Water Reclamation Facility, and the Sun Valley General Improvement District. The Planning Commission is comprised of members from Public Works for the City of Reno, Public Works for the City of Sparks, Community Services Department for Washoe County, Truckee Meadows Water Reclamation Facility, Pyramid Lake Paiute Tribe, The Nature Conservancy and Truckee Meadows Flood Management Authority, the General Manager of the Sun Valley General Improvement District, two representatives from TMWA, and various other members.

On April 19, 2017, the Regional Commission adopted the 2016-2035 Comprehensive Regional Water Management Plan (the “Comprehensive Plan”) developed by the Planning Commission for the relevant planning area, covering such matters as supply of municipal and industrial water; quality of water; sanitary sewerage; treatment of sewage; drainage of storm waters, control of floods, the problems and needs of the planning area; the providers of service; alternatives to reduce demand or increase water supply; identifying and providing for existing and future sources of water needed to meet present and future needs; priorities and general location for additional major facilities needed to provide services; programs to mitigate drought, conserve water and otherwise manage water; and other matters related to water supply, planning and conservation. Any facility of “regional significance” associated with water supply, wastewater treatment and stormwater drainage must be recognized in the Comprehensive Plan or presented for review by the Planning Commission and possible amendment to the Comprehensive Plan by approval of the Regional Commission.

TMWA is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement (which was amended and restated as of February 3, 2010) among the City of Reno, the City of Sparks and Washoe County. TMWA owns and operates a water system and develops, manages and maintains supplies of water for the cities of Reno and Sparks and other surrounding populated areas of Washoe County (except certain areas in the vicinity of Lake Tahoe and other small areas bordering California) over a total of 166 square miles of service area (the “Service Area”). The Service Area includes approximately 134,000 service connections after a merger with the Washoe County water utility and the South Truckee Meadows General Improvement District in December 2014.

Portions of Washoe County that are not served by TMWA are served either by special districts, private companies and/or private wells. TMWA has developed a Water Resource Plan through 2040 and a Water Facility Plan through 2035 to address the water needs of its Service Area.

Drought conditions have existed within TMWA’s Service Area in the recent past. The Truckee River Operating Agreement (the “TROA”) was implemented in December 2015. The major participants in the TROA are TMWA, the Pyramid Lake Paiute Tribe, the State of Nevada, the State of California, and the United States of America. TROA provides for modified river and reservoir operations that result in multiple benefits for water users, including benefits related to endangered fish species (spawning fish flows), recreation (minimum water levels in reservoirs), and significant additional drought storage for TMWA. Notably, the TROA provides TMWA with the ability to store a significant amount of water in upstream federal reservoirs and federally operated reservoirs in winter months for later use during a drought. The TROA also provides for carryover of unused drought storage in successive drought years such that drought storage can actually increase over years of extended drought. Implementation of the TROA also results in the entry into effect of the interstate allocation of water between Nevada and California as provided in the Truckee-Carson-Pyramid Lake Water Rights Settlement Act, Pub. L. No. 101-618 (Nov. 16, 1990), Title II, 104 Stat. 3289.

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PART II

ATTACHMENT I

SUMMARY OF STATE OF NEVADA PENSION SYSTEMS

[TO BE UPDATED IN LATER DRAFT]

The information relating to the retirement systems summarized in this Attachment I is derived from a number of sources, including the respective comprehensive annual financial statements and actuarial valuations referred to herein. A number of these sources make and rely on assumptions and projections which may or may not be realized. No representation is made that such projections or assumptions will be realized. The obligation of the State to the retirement systems, in particular the Public Employees' Retirement System of Nevada ("PERS"), represent significant financial obligations of the State. No assurances are made that the past or present contribution levels applicable to the State will not change. It should be noted that references to the financial condition of PERS and the contribution requirements of its employer members, when referred to in its entirety, refers solely to PERS and not to the State. PERS is a multiple employer system, of which State employees comprise approximately 16.2% of total active employees as of June 30, 2021. The State's responsibility to make contributions is limited to its allocable share attributable to the State employee members, of which the State employees themselves contribute 50% (under the Employee/Employer Contribution Plan). Under the Employer-Pay Contribution Plan the contributions are paid on the employee's behalf by the State, with the employee's 50% share accounted for through salary reduction.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2005 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems. Under Article 9 Section 2 of the Nevada Constitution, PERS is created as a trust fund and is prohibited from lending money to the State and from purchasing obligations of the State. Article 9 Section 2 also requires PERS to be governed by the Retirement Board and the Retirement Board to hire an independent actuary and an executive officer. The Nevada Constitution states that the Retirement Board shall adopt actuarial assumptions based upon the recommendations made by the independent actuary it employs.

The independent actuary appointed by the Retirement Board provides annual valuation reports for PERS, LRS, and JRS setting forth the contribution rates required to fund the retirement systems on an actuarial reserve basis. The Retirement Board is required to adopt tables and formulas recommended by the actuary in a valuation report prepared for each even-numbered year. For PERS, contribution rates are determined based upon actuarially determined rates but as described below are adjusted every other year, and then only if the increases or decreases recommended by the actuary exceed the percentages set forth in Nevada statutes, as described herein in "PERS Contribution Rates." Pursuant to statute, the total contributions for LRS and JRS are also based upon the amounts determined by the actuary. Depending upon the assumptions used in calculating rates, actuarial and statutory contribution rates may differ from rates calculated for purposes of financial disclosure set by the Governmental Accounting Standards Board ("GASB"). Currently, the independent actuary for each of the three systems is Segal, San Francisco, California.

All three retirement systems are defined-benefit plans in which member benefits are specified in advance and are payable from assets, including investment income, set aside in the retirement fund. Unlike a defined contribution plan, where the employer's liability is limited to making its specified contribution and the employee takes the risk that the contributions and investment income thereon will generate sufficient retirement income, in a defined benefit plan the employers take the risk that contributions and investment income will be sufficient to pay the promised benefits

in the future. Employers are not liable directly for the obligations of the retirement systems, but the employers' and employees' contribution rates may increase if assets are not sufficient to pay promised benefits.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. A summary description of PERS, LRS and JRS is set forth in Note 10 to the FY 2021 State ACFR included in this Official Statement as Appendix A to this Part II, and the State's proportionate share of PERS and JRS net pension liability is set forth in the FY 2021 State ACFR under the heading "Pension Plan Information." LRS is a single employer plan for which the State has 100% funding responsibility.

PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees' Retirement Fund (the "PERS Retirement Fund"). The PERS Retirement Fund comprises two subfunds. The Regular subfund was established to provide retirement, disability and survivor benefits for public employees other than police officers and firefighters. The Police/Fire subfund was established to segregate accounting for retirement and survivor benefits related to members who are police officers or firefighters. Assets accounted for in one subfund, however, may be used to pay benefits accounted for in the other subfund.

PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. As of June 30, 2021, PERS includes 106,930 active members, of whom 93,796 are Regular employees and 13,134 are Police/Fire employees; 18,871 vested inactive members; and 75,955 retirees and beneficiaries, of whom 65,988 are Regular retirees, survivors or disability recipients and 9,967 are Police/Fire retirees, survivors or disability recipients. Retirement benefits include cost-of-living increases that can range from 2% per year to 5% per year (up to 4% for employees first hired on or after January 1, 2010, up to 3% for employees first hired on or after July 1, 2015), depending upon increases in the Consumer Price Index. Employers that participate in PERS as of June 30, 2021 include the State, 23 State-related boards and agencies and 191 local governments and related districts and agencies. The Board of Regents of the University of Nevada, a component unit of the State, provides a separate retirement program for its professional staff.

Measured by the number of covered employees, the State was the second-largest PERS employer as of June 30, 2021, representing approximately 16.7% of the current active employees covered by PERS.

Benefits. Benefits, as required by the State statute, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering the System on or after July 1, 2015, there is a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or age 55 with thirty years of service and at any age with thirty-three and a third years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Additionally, there are statutory limits on the eligible compensation used to determine the retirement benefit of a member of the System. For membership prior to July 1, 1996, the limitation is \$430,000 for 2021 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1993. For System membership on or after July 1, 1996, and before July 1, 2015, the limitation is \$290,000 for 2021 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1996. For System membership on or after July 1, 2015, the limitation is the lesser of:

(a) The \$290,000 limitation for 2021 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 2015; or

(b) \$215,616 for 2021. The \$215,616 limitation will be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.

PERS Funding. PERS is funded with a combination of investment income and contributions from employees and employers. The State is one of many employer participants in PERS and has funding responsibilities relating to State employee participants only. Upon becoming a member, most State employees and some local government employees choose either an employer-pay plan or an employee/employer-pay plan. Under the employer-pay provisions, which can be revised by the State Legislature for new employees, the employer pays the entire contribution on behalf of the employees. Contributions made by the employer on behalf of the employee are not credited to the member's account and are not refunded upon termination. Although the employer-pay plan does not require a direct employee payment, the employee does share in the cost either through a direct reduction to salary or through reductions in pay increases equivalent to one-half of the contribution rate. Under employee/employer pay provisions, each employee pays half of the required contribution on an after-tax basis (calculated as a percentage of the employee's covered salary) and the amounts contributed by the employee are credited to the employee's account and may be refunded to the employee upon termination, with the result that employee/employer contribution rates are higher than they would be if there were no guaranteed return. As of June 30, 2021, 21.5% of Regular employees and 11.6% Police/Fire employees are covered under this employee/employer pay program. See "PERS Contribution Rates" below.

The State has made 100% of statutorily required contributions since the inception of PERS. The State's contribution to PERS (relating to the State's employee members) for FY 2017 through FY 2021 are set forth in the Table below.

**STATE CONTRIBUTIONS TO PERS
FISCAL YEARS ENDING JUNE 30**

<i>Year</i>	<i>Contribution</i>
2017	\$151,491,716
2018	153,762,408
2019	161,627,368
2020	176,299,827
2021	175,569,571

PERS Actuarial Valuations, Experience Reports and Methods. The Public Employees' Retirement Act requires the Retirement Board to arrange for actuarial valuations every two years and, subject to certain limitations described below, requires contribution rates to be adjusted as of July 1 of every odd-numbered year, based in part upon the valuation report for the preceding even-numbered year. In practice, however, the Board requests that actuarial valuations be prepared annually for PERS.

A primary purpose of the valuation report is to determine the health of PERS and the contribution rates that will be required in the future. Valuations are based upon historical and current information provided by PERS staff and the methods and assumptions recommended by the actuary and adopted by the Retirement Board. The actuary recommended and the Retirement Board adopted the use of the Entry Age Normal Cost method as the funding method of calculating contribution rates. Under this method, the total actuarially determined contribution rates consist of (i) the “normal cost,” (ii) an administrative expense allowance and (iii) the amount required to amortize PERS’ UAAL over the period established by the Retirement Board for amortizing the UAAL. Normal cost is the cost of the accumulation of one year’s benefit for each member or the present value of current year’s future benefits. “Entry age” refers to the member’s age at the time the member commenced employment. Administrative expense is the assumed cost of administering PERS.

The most recent valuation report for PERS was prepared as of June 30, 2021 (the “2021 PERS Valuation Report”) and presented to the Board at its meeting on November 18, 2021 and approved as submitted. The most recent rate-setting valuation report for PERS was prepared as of June 30, 2020 (the “2020 PERS Valuation Report”).

The 2020 PERS Valuation Report was used to determine the contribution rates for the 2021-2023 biennium. The 2021 PERS Valuation Report is the most recent assessment of PERS actuarial assets and liabilities and funding status, and along with the GASB Statement No. 67 Actuarial Valuation as of June 30, 2021, was the basis for PERS audited financial statements for FY 2021. Subsequent to the foregoing, a GASB Statement No. 68 Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and Related Notes for the fiscal year ended June 30, 2021 was completed in the spring of 2022. This report applies revised accounting rules intended to provide useful information, support assessments of accountability and create additional transparency for PERS participating employers. The GASB Statement No. 68 identifies the State’s employer allocation percentage of PERS liabilities with respect to total liabilities. As of June 30, 2021, the State’s employer allocation percentage was 16.4% of the net pension liability of PERS.

The valuation report for PERS as of June 30, 2022 (the “2022 PERS Valuation Report”) is expected to be presented to the Retirement Board on November 17, 2022. The State does not anticipate updating this Official Statement upon release of the 2022 PERS Valuation Report.

The use of appropriate assumptions is important in maintaining adequate funding. To ensure the assumptions remain appropriate, the Retirement Board conducts an experience study, through its independent actuary, at least every four to six years. In September 2021, Segal performed an experience study (the “2021 Experience Study”) to review the economic and demographic actuarial assumptions during the four-year period from July 1, 2016 through June 30, 2020. Based on trends in the data, the actuary recommended modifications to certain actuarial assumptions which the Board adopted at their September 16, 2021 meeting. These assumptions were used in preparing the 2021 PERS Valuation Report.

Changes adopted from the 2021 Experience Study to economic assumptions include reductions in the assumed investment rate of return to 7.25% from 7.50%, the inflation rate to 2.50% from 2.75%, and the active member payroll growth to 3.50% from 5.50% for Regular members and to 3.50% from 6.50% for Police/Fire members. Other assumptions that were modified in the 2021 Experience Study include the following: individual salary increases, administrative expenses, retirement rates, mortality rates, termination rates and disability incidence rates. The impact of these assumption changes is included in the 2021 PERS Valuation Report.

In addition to the experience studies that are conducted every four to six years, the Board conducts a second opinion review at least once every ten years to determine, among other things, whether the underlying actuarial assumptions are reasonable. The Board recently hired a second actuary to conduct a second opinion review, which took place in late 2018.

Actuarial Assets and Liabilities; Investment Return Assumptions and Calculations. In addition to the normal cost and administrative expense components described above, the third component of the contribution rate is the amount required to amortize the UAAL, the difference between the actuarial accrued liability (the “AAL”) and the actuarial value of assets. The total AAL under the Entry Age Normal Cost Method represents the amount that would have been accumulated as of the valuation date if contributions sufficient to meet the normal costs had been made each year in the past, net of accumulated past benefit payments. The UAAL is the amount obtained by

subtracting valuation assets from total actuarial accrued liability. PERS amortizes each year's change in the UAAL as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. The effective blended amortization period as of June 30, 2021 is 15.4 years. The economic assumptions and actuarial methods used in these calculations are summarized below in Table 1A.

In calculating the actuarial value of assets, contributions for the past year are added to the actuarial value of assets at the end of the prior year; benefits and expenses are subtracted; the assumed rate of return is added; and then a portion of market value gains and losses are added or subtracted. Actual market returns are taken into account, but to reduce rate volatility, actual market gains and losses are spread or "smoothed" over a five-year period. Such smoothing is further limited by a "corridor" so that the actuarial value for one year will not be more than 130% or less than 70% of the value in the previous year.

The assumed investment rate of return on the actuarial value of PERS assets is based in part upon an assumed, long-term rate of inflation. Actual returns on the actuarial value of assets vary year by year, however, and also vary when compared to the return on the market value of PERS assets. The return on the actuarial value of PERS assets (on a "smoothed" basis) for FY 2021 was 12.36% and for FY 2020 was 7.52%. As a result, PERS experienced an investment gain on an actuarial value basis of approximately \$1,716 million for Regular employees and \$507 million for Police/Fire employees as compared to an investment gain of \$5 million for Regular employees and \$3 million for Police/Fire employees in FY 2020. The return on the market value of PERS assets, however, was 27.2 % in FY 2021. The June 30, 2021 unrecognized investment gains of \$7,516 million represent about 12.9% of PERS' market value of assets. By comparison, the unrecognized investment gain as of June 30, 2020 was \$563 million or 1.2% of the market value of assets. In the 2021 PERS Valuation Report the ratio of the actuarial value of PERS assets to the market value of PERS assets is 87.13% for Regular members and 87.18% for Police/fire members (compared to 98.79% for Regular members and 98.81% for Police/fire members at June 30, 2020). The actuary also calculated that if 2021 deferred gains were recognized immediately instead of being smoothed over five years, PERS' actuarial funded percentage described below would increase from 75.3 % to 86.4% for Regular members and increase from 75.6% to 86.7% for Police/Fire members. PERS' average annualized investment return on a market value basis for the five and 10 years ended June 30, 2021 is 12.4% and 10.0% respectively, including the return for FY 2021 of 27.23%.

PERS experienced an overall experience gain in 2021 of \$1,181 million, \$998 million in the Regular fund and \$183 million in the Police/Fire fund.

PERS experienced an investment loss (on a market basis) for Fiscal Year 2022, the impact of which will be seen when the 2022 PERS Valuation Report is presented to the Retirement Board on November 17, 2022.

Table 1A
PERS 2021 Economic Assumptions and Actuarial Methods

Inflation	2.5% per year
Investment Return	7.25% per year, assuming inflation at 2.50% per year
Salary Increases	Assumed annual salary increases include inflation 2.5% per year and range from 9.10% for Regular employees with less than one year of service to 4.20% for Regular employees with 20 or more years of service and from 14.50% for Police/Fire employees with less than one year of service to 4.60% for employees with 15 or more years of service. For members hired after January 1, 2010, the maximum increase in compensation that can be taken into account in calculating benefits is 10% per year (unless promoted or assignment related).
Rate Payroll	The payroll for the coming year is based on actual annualized payroll for the actives as of the valuation date and projected by the salary scale. Payroll Growth Funding 3.5% per year for both Regular employees and Police/Fire employees.

For GASB disclosure, this rate is 5% for Regular employees and for Police/Fire employees.

Post-retirement Benefit
Increases

For current retirees and beneficiaries, future Post-Retirement Benefit Increases reflect actual changes in historical CPI and are assumed to follow the formulas described below. For future retirees, those hired prior to 2010 are assumed to reach the cap after 14 years of retirement. Those hired on or after January 1, 2010 and before July 1, 2015 are assumed to reach the cap after 14 years of retirement. Those hired after July 1, 2015 are assumed to never receive an increase above 2.50%. Underlying all of these assumptions is that CPI will grow over time at a rate of 2.50% per year.

For members with an effective date of membership before January 1, 2010:

The lesser of:

(a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

(b) The annual benefit increase is equal to the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph (a) if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other Board approved index) for the period between retirement and the date of increase.

For members with an effective date of membership on or after January 1, 2010:

Same as above, except the increases do not exceed 4% per year.

For members with an effective date of membership on or after July 1, 2015:

(a) 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, the lesser of 3% of the CPI for the preceding calendar year following the ninth anniversary.

Asset Valuation Method

The total of the prior year's actuarial value of assets, plus contributions, less benefit payments and expenses, an adjustment for net transfers, plus expected investment return and 20% of each of the previous five years' gain or loss due to investment return greater or less than expected, further limited to not less than 70% (80% before 2009) or greater than 130% (120% before 2009) of the market value of assets.

Actuarial Funding Method

Entry Age Normal Cost Method assuming the current benefit accrual rate had always been in effect.

Amortization of the UAAL

The UAAL is amortized over a year-by-year closed amortization period, where each amortization period for each year is set at a period of the truncated average remaining period of all prior amortization layers until the average remaining period is less than 20 years. The effective blended amortization period as of June 30, 2021 is 15.4 years. For GASB disclosure purposes, however, the UAAL is amortized over an open (non-declining) amortization period of 30 years

Source: State of Nevada, compiled from the 2021 PERS Valuation Report.

PERS Contribution Rates. The following tables summarize the covered payroll, statutory contribution rates and actuarially determined contribution rates for 2021-2023, and some of the primary economic assumptions and actuarial methods upon which these calculations are based. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions, payroll growth, and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase.

The Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. Rates are only adjusted upward if the new rates are more than 0.50% higher than the existing rate for employer-pay and more than 0.25% higher for employee/employer. Rates are only adjusted downward if the new rates are more than 2.00% lower than the existing rate for employer-pay (and adjusted only by the amount in excess of 2.00%) and more than 1.00% lower than the existing rate for employee/employer (and adjusted only by the amount in excess of 1.00%). Rates are rounded to the nearest 0.25% of payroll. The 2020 PERS Valuation Report determined whether a change to the contribution rates was required for the 2021-2023 biennium in accordance with the statutory contribution rate change mechanism described above. Pursuant to the statutory contribution rate mechanism, contribution rates increased for the 2021-2023 biennium for both the Regular fund and the Police/Fire fund as summarized below in Table 2A.

Table 2A
PERS Contribution Rates - - 2021-23

Contribution Rates	Regular Employees	Police/Fire Employees
(as a percentage of payroll)		
<u>Employer-Pay Actuarial Rate</u>⁽¹⁾		
Employer-Pay Total Rate ⁽²⁾	31.78	48.09
Employer-Pay 2021-23 Statutory Rate ⁽³⁾	29.75	44.00
<u>Employee/Employer Pay Actuarial Rate</u>⁽¹⁾		
Employee/Employer Total Rate ⁽⁴⁾	33.19	49.60
Employee/Employer 2021-23 Statutory Rate ⁽³⁾	31.00	45.50

(1) These actuarial rates are based upon the 2021 PERS Valuation Report as of June 30, 2021.

(2) In conjunction with the 2021 PERS Valuation, the Retirement Board adopted a 4 year "direct rate smoothing" actuarial method to phase in the costs of the assumption changes brought about by the 2021 Experience Study. For more details, see p. 30 of the 2021 PERS Valuation Report.

(3) These statutory rates apply for July 1, 2021 through June 30, 2023.

(4) One half of this rate is paid by the employee. See also 2021 PERS Valuation Report for more details.

Source: State of Nevada, compiled from the 2021 PERS Valuation Reports.

Information about the actuarial value of assets, AAL, UAAL, funded ratio, annual covered payroll, UAAL as a percentage of annual covered payroll, contributions and funding for PERS as a whole, derived from PERS' annual comprehensive financial report for FY 2021 (the "2021 PERS Financial Report") and from the 2021 PERS Valuation Report, is summarized in Tables 3A and 4A. The ratio of UAAL to covered payroll is a measure of the significance of the UAAL relative to the capacity to pay it. The trend in the ratio provides information as to whether the financial strength of the pension plan is improving or deteriorating over time. The financial strength of a pension plan is generally improving if the ratio of UAAL to covered payroll is decreasing. The actuary notes in the 2021 PERS Valuation Report that using the methods, assumptions and results of the 2021 PERS Valuation Report, payments required to amortize the UAAL represent 18.62% of projected payroll for Regular employees and 27.03% of projected payroll for Police/fire employees and that the average length of payment of the entire UAAL will be approximately 15.4 years for Regular employees and 15.3 years for Police/fire employees.

PERS notes in the 2021 PERS Financial Report that in addition to changes in benefits and actuarial methods and assumptions, trends such as those shown in the tables below are affected by investment experience (favorable and unfavorable), salary experience, payroll growth, changes in demographic characteristics and employees and retirement experience, among other factors. Recent experience in overall payroll growth and active membership has impacted both the actuarial contribution rates and the UAAL. Less than expected payroll growth since 2009 has negatively affected the amount of contributions collected as the contributions are collected as a percentage of payroll. Although the payroll growth and inflation assumptions were reduced beginning in the 2017 and again in the 2021 valuation reports, this may continue to impact contribution rates and the UAAL. PERS and the actuary note that the number of active employees decreased in 2021 in both the Regular and the Police/Fire fund. From 2012 to 2021, the ratio of active PERS Regular members to retirees decreased from 2.3 to 1.6 and that the ratio of active PERS Police/Fire members to retirees decreased from 2.2 to 1.5 during the same period. In FY 2021, the number of PERS benefit recipients increased 4.4% from FY 2020.

Table 3A
PERS Schedule of Funding Progress⁽¹⁾
2017 to 2021
(\$ in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2017	\$38,719.3	\$38,686.3	\$51,986.1	\$13,266.8	74.5%	\$5,542.2	239.4%
2018	41,342.4	41,420.0	55,069.4	13,727.1	75.1	5,830.4	235.4
2019	43,609.0	44,284.3	57,920.2	14,311.2	75.3	6,038.6	237.0
2020	46,171.7	46,735.1	60,663.5	14,491.8	76.1	6,276.8	230.9
2021	50,942.5	58,458.5	65,577.8	16,635.3	75.4	6,186.4	268.9

⁽¹⁾ Table reflects the entire PERS, of which the State is a participant.

Source: State of Nevada, compiled from the 2021 PERS Financial Report and 2021 PERS Valuation Report.

The contributions in relation to the actuarially determined contributions can be greater or less than the actuarially determined contributions due to the fact that the actuarially determined contributions are set annually pursuant to the annual actuarial valuation, and as described above the contribution rates (stated as a percentage of payroll) are set biennially. In addition, actual salary increases and payroll growth has been less than the actuarial assumed rates. Since actual contributions are based on payroll, lower than expected growth in salary increases and payroll growth will contribute to actual contributions being lower than the actuarially required contribution. Table 4A reflects all PERS, of which the State is a participant.

Table 4A
PERS Schedule of Employer Contributions
2017 to 2021
(\$ in millions)

Year Ended June 30⁽³⁾	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contributions⁽¹⁾	Contribution Deficiency (Excess)	Covered Employee Payroll⁽²⁾	Contributions as a Percentage of Covered Employee Payroll
2017	\$912.6	\$901.7	\$10.9	\$6,081.1	14.8%
2018	939.7	930.3	9.4	6,237.2	14.9
2019	981.8	965.5	16.3	6,508.9	14.8
2020	1,078.2	1,045.1	33.1	6,786.9	15.4
2021	1,121.3	1,051.9	69.3	7,059.5	14.9

⁽¹⁾ Includes employer contributions towards administrative expenses.

⁽²⁾ Measurement as of beginning of year.

⁽³⁾ 2016 values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 67 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

Source: 2021 PERS Financial Report.

All contributions shown in Table 4A reflect employer-paid contributions only. Member contributions are excluded. Actuarially Determined Contributions in Table 4A are based on actuarially determined contribution rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered payroll for year shown.

Pursuant to GASB Statement No. 67, the System provided information on the Net Pension Liability in the 2021 PERS Financial Report. The components of the Net Pension Liability at June 30, 2021 were as follows:

Total Pension Liability	\$67,577,781,457
Plan Fiduciary Net Position	<u>(58,458,484,355)</u>
Net Pension Liability	<u>\$9,119,297,102</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.51%

The discount rate used to measure the Total Pension Liability was 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assume plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

The 2021 PERS Financial Report also contains the sensitivity of the net pension liability to changes in the discount rate pursuant to GASB Statement No. 67. The following presents the Net Pension Liability using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
\$18,156,228,324	\$9,119,297,102	\$1,664,568,442

LRS. All State Legislators, unless they have elected not to participate, are members of LRS, which is a defined benefit, single-employer public employees' retirement system administered by the same Retirement Board that administers PERS. LRS was established by the State Legislature in 1967. The State (in this case, the State Legislature) is the only LRS employer and is required to make all of the statutorily required employer contributions. LRS benefits are established by the Legislators Retirement Law (the "LRS Act"), which provides expressly that the Retirement Board may not change the actuarial assumptions used in computing the benefits provided to a member of LRS and that the employer contributions will be the amounts actuarially determined to be sufficient to fund LRS. The 2021 State ACFR, in Note 10, under the heading "Financial Section – Required Supplementary Information – Pension Plan Information" and under the heading "Financial Section – Fiduciary Funds," includes a description of the actuarial methods and significant assumptions used in actuarial valuations of LRS, the changes in the net pension liability and the State's contribution to LRS. The most recent valuation report for LRS (the "2021 LRS Valuation Report") is the Valuation and Review dated June 30, 2021.

As of July 1, 2021, LRS had 27 active legislators, 12 inactive members entitled to future benefits, 70 retirees and beneficiaries and 37 inactive non-vested members. LRS had a total net position (at market value) of \$5,630,431 as of June 30, 2021 (compared to \$4,694,337 as of June 30, 2020), and as of June 30, 2021, the actuarial value of LRS assets was \$4,903,920 (compared to \$4,660,653 as of June 30, 2020) and reflected in Appendix A to this Part II. LRS actuarial value of assets as of June 30, 2021 was 87.10% of market value. As of June 30, 2021, LRS was 98.8% funded on an actuarial basis compared to 95.9% funded as of July 1, 2020. The unfunded actuarial accrued liability was \$61,732 as of June 30, 2021 as compared to \$199,433 as of July 1, 2020. The State's annual contribution to LRS was \$82,846 in FY 2021. The annual contribution calculated as of June 30, 2020 for the 2019-2021 biennium required to meet the normal cost of LRS and to amortize LRS' UAAL over 20 years from July 1, 2020 is \$82,846. Legislation was enacted in 2015 modifying benefits for members with an effective date of membership on or after July 1, 2015.

For the year ended June 30, 2014, the Retirement Board adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB Statement No. 67, the LRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position beginning with the FY 2014. The components of the Net Pension Asset of the LRS at June 30, 2021, were as follows:

Total pension liability	\$ 4,951,072
Plan fiduciary net position	<u>(5,630,431)</u>
Net pension asset	\$ 679,359
Plan fiduciary net position as a percentage of the total pension liability	113.7%

JRS. JRS was created in 2001 for State judges elected or appointed after November 2002 and for those who were elected or appointed earlier and chose to withdraw from PERS. In 2005, JRS was amended to allow justices of the peace and municipal judges to participate if their jurisdiction opts to allow participation. JRS is an agent multiple-employer, defined benefit pension system that provides retirement, disability and death benefits. For all members with an effective date of membership prior to July 1, 2015, the JRS is an employer-paid plan, and active members are not required to make contributions. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015, including requiring those members to pay a portion of the contribution rate through payroll deduction.

As of June 30, 2021, the date as of the most recent annual valuation report (the “2021 JRS Valuation Report”), the State and 11 local jurisdictions participate in JRS. As of June 30, 2021, JRS has 113 active members (of whom 93 are State judges), 6 vested, inactive members (5 of whom are attributed to the State), 71 retirees (of whom 56 are State judges), and 20 beneficiaries (of whom 16 are attributed to the State).

Like PERS and LRS, JRS is administered by the Retirement Board, and JRS assets are invested identically with the assets of the LRS. Unlike PERS, however, the UAAL and UAAL amortization periods for State judges are calculated differently than for non-State judges, and the actuary calculates State and non-State employer contributions separately. In general, the State portion of JRS expected payroll as of June 30, 2021 (approximately \$20.2 million) is 85% (approximately \$17.1 million).

As of June 30, 2021, JRS as a whole had market value of assets of \$184,703,618, an actuarial value of \$162,820,535, an accrued actuarial liability of \$176,997,412 and a UAAL of \$14,176,877. The rate of return on market value of assets for FY 2021 was 27.11% compared to 6.28% for the preceding year. Like PERS, JRS smooths investment returns over a five year period. The smoothing process resulted in an actuarial return of 11.95% in FY 2021. Taking into account market gains and losses from earlier years, the JRS Fund as a whole experienced an actuarial gain from investment and other experience of approximately \$5.4 million in FY 2021. The total net investment gain not yet recognized as of June 30, 2021 is approximately \$21.9 million. The ratio of actuarial value of assets to the market value of assets is 88.15% as of June 30, 2021. The actuary noted in the 2021 JRS Valuation Report that if the deferred gains were recognized immediately in the actuarial value of JRS assets, the JRS funded percentage as a whole at June 30, 2021 would increase from 92.0% to 104.4% and that the contribution requirement for the State judges would decrease from 34.82% of State covered payroll to 28.25% of the State covered payroll.

As of June 30, 2021, the State portion of JRS had assets at market value of \$148,611,673, an actuarial value of \$131,004,646, an accrued actuarial liability of \$149,886,624 and an unfunded actuarial accrued liability of \$18,881,979. Annual payments required to fund the State’s normal costs and administrative expenses (approximately \$4,153,266 or 24.24% of covered payroll) and to amortize the State portion of the unfunded actuarial accrued liability (approximately \$1.8 million or 10.6% of covered payroll) are calculated to be a total of \$6.0 million or 34.82% of the State’s 2021 expected JRS payroll of approximately \$17.1 million.

The State’s contribution to JRS was \$5,261,970 in FY 2017, \$4,788,927 in FY 2018, \$4,743,909 in FY 2019, \$4,776,295 in FY 2020, and \$4,851,453 in FY 2021. See the 2021 State ACFR, Note 10, Required Supplementary Information – Pension Plan Information and Fiduciary Funds Combining Statements for additional information on JRS, including a description of the actuarial methods and significant assumptions used in the June 30, 2020 actuarial valuation of JRS, the net pension liability and the State’s contributions as of June 30, 2021.

For the year ended June 30, 2014, the Retirement Board adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB Statement No. 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes. As of June 30, 2021, the Total Pension Liability for JRS as a whole was \$177,655,679, the Plan Fiduciary Net Position was \$183,381,141, and the net pension asset was \$5.8 million.

PART II

ATTACHMENT II

SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

General. The State of Nevada's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits (described below) to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of ten members, including the Director of the Governor's Finance Office (or his/her designee) and nine members appointed by the Governor and administers PEBP.

Benefits and Eligibility. PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) self-insured consumer driven preferred provider organization high deductible health plan ("CDHP"), a low deductible preferred provider organization ("LDPPO"), and an exclusive provider organization plan ("EPO Plan"), both of which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP and EPO Plans, (ii) Health Maintenance Organization ("HMO Plan") that is fully insured by an outside insurance carrier and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 43% of PEBP participants participate in the CDHP, 9% participate in the LDPPO plan, 9% participate in the EPO plan, 9% participate in the HMO plan and 30% participate in the Exchange. PEBP also offers life insurance benefits as well as an array of voluntary benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets, including eliminating the retiree health insurance subsidy for all new hires effective January 1, 2012. See "—Contributions" below.

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Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracting with PEBP to provide such benefits to its employees and officers (a “participating local government agency”) are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction certain eligibility requirements set forth in the Nevada statutes. Certain retirees from non-participating local government agencies, as well as their eligible dependents and survivors, are eligible to continue participation in the PEBP as long as they enrolled prior to November 1, 2008, and have been continuously covered by the PEBP since that date. As of June 30, 2023, the State, the Nevada System of Higher Education and 195 local government agencies are billed for retiree subsidies. Primary insured (“Participant”) enrollment as of June 1, 2023 is shown in Table 2A below. The figures below do not include approximately 25,302 dependent spouses, domestic partners and children.

Table 2A
Enrollment as of June 1, 2023

	PPO	LDPPO	EPO	HMO	Exchange	Total
State						
Employees	13,005	7,071	2,778	3,078	0	25,932
Retirees-Non Medicare	2,097	623	440	261	0	3,422
Retirees-Medicare	552	49	66	48	8,434	9,149
Total Retirees	2,649	672	506	309	8,434	12,571
Total	15,654	7,743	3,284	3,387	8,434	38,503
Local Government						
Employees	3	1	2	0	0	6
Retirees-Non Medicare	98	11	10	453	0	164
Retirees-Medicare	251	15	45	97	4,896	5,304
Total Retirees	349	26	55	550	4,896	5,468
Total	352	27	57	550	4,896	5,474
Total						
Employees	13,008	7,072	2,780	3,078	0	25,938
Retirees-Non Medicare	2,195	634	450	306	0	3,586
Retirees-Medicare	803	64	111	145	13,330	14,453
Total Retirees	2998	698	561	451	13,330	18,039
Total	16,006	7,770	3,341	3,529	13,330	43,977

Source: State of Nevada, Public Employees’ Benefits Program.

Contributions. PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. The PEBP Board establishes claims liability based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damages awards, the process used in computing claims and liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are computed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are incurred.

Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the CDHP, LDPPPO and EPO Plans or premiums for the HMO Plan. The State subsidy from participating State agencies is deposited into the Active Employees’ Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State (“Payroll Fund”). The Governor’s Finance Office determines the allocation of the

State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the PEBP Board is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the CDHP, LDPPPO, EPO or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the CDHP, LDPPPO, EPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2020, 2021, 2022, and 2023, the State and its component units contributed \$292,590,729, \$272,183,708, \$263,885,832, and \$272,720,086, respectively, to PEBP for employee and retiree benefits. The budgeted contribution for FY 2024 is \$319,982,387. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Self Insurance Trust Fund. Nevada statutes require that all amounts received by PEBP for the payment of contributions for the CDHP, LDPPPO and EPO Plans or premiums for the HMO Plan, including employer subsidies and participant contributions, be deposited with the State Treasurer for credit to the Self Insurance Trust Fund. Amounts are held in the Self Insurance Trust Fund until applied to pay approved claims or premiums for the HMO Plans on a "pay-as-you-go" basis or to pay other administrative and contract costs. There is no stop loss or excess liability insurance. As of June 30, 2022, the Self Insurance Trust Fund had an actuarially determined fully funded incurred but not reported claims reserve of \$51,030,000, a reserve funded at 80% of the balance for Health Reimbursement Arrangement contributions made by PEBP but not spent by participants of \$22,800,889, and net assets of \$90,987,433, which includes a \$38,426,000 catastrophic reserve actuarially determined to provide approximately 50 days' worth of claims payments to ensure that PEBP will maintain long-term solvency and an estimated \$23,568,952 in excess reserves. See the Audited Annual Financial Statements of the Self Insurance Trust Fund at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/Audited-Financial-Statements-for-the-Year-Ending-June-30-2022.pdf> for more information about the Self Insurance Trust Fund as of June 30, 2022.

Retiree's Fund. The State Legislature established the Retirees' Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Nevada statutes require that all money appropriated by the State Legislature to the Retirees' Fund, all amounts derived from the State assessment, all money accruing to the Retirees' Fund from all other sources and any other money provided to PEBP for the payment of health and welfare benefits for current and future State retirees be deposited in the Retirees' Fund. Such amounts remain in the Retirees' Fund until they are transferred to the Self Insurance Trust Fund as required for the purpose of offsetting a portion of the costs of providing health and welfare benefits for State retirees or to pay other authorized costs. The money in the Retirees' Fund belongs to the officers, employees and retirees of the State in aggregate. Neither the State nor the governing body of any local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money in the Retirees' Fund. See the Audited Annual Financial Statements of the State Retirees' Health and Welfare Benefits Fund at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/Retirees->

Fund-Audited-Financial-Statements-for-the-Year-Ending-June-30-2022.pdf for more information about the Retirees' Fund as of June 30, 2022.

For FY 2020, 2021, 2022, and 2023 the State and its component units contributed to the Retirees' Fund \$43,881,808.42, \$41,725,436, \$39,621,208, and \$53,980,293 respectively. For FY 2020, 2021, 2022, and 2023 \$40,985,175, \$43,941,684, \$41,739,299, \$39,639,850, and \$41,195,435 were transferred to the Self Insurance Trust Fund to fund health and welfare benefits for current State retirees for such fiscal years.

SB457 of the 2007 Legislative Session created the Retirement Benefits Investment Fund ("RBIF") and set the Board of Trustees as the members of the PERS Board. The fund is a voluntary investment opportunity for the state and local governments to have assets in their OPEB trusts managed in like fashion to the Public Employees' Retirement Fund. NRS 355.220 authorizes RBIF to invest the money for trust funds established by government agencies for authorized purposes. It is the responsibility of each participating government agency to contribute, withdraw and use the funds for authorized purposes. The funds in the RBIF may be transferred to the State Retirees' Health and Welfare Fund created by NRS 287.0436 for the purposes specified in NRS 287.0436. The only instance when PEBP has used these funds was during the 2010 special session. Section 79 of AB3 directed the State Controller to transfer the sum of \$24.7 million to the fund created by NRS 287.0436. By the time the withdrawal occurred, the market value of the fund had increased which resulted in remaining funds. Although no additional contributions have been made by PEBP, these funds have since been gaining interest and the market value of the fund has grown to approximately \$2.2 million. In March 2021, PEBP withdrew the remaining funds of approximately \$2.2 million from the RBIF account to cover a portion of a shortfall in the Retired Employee Group Insurance subsidy account.

GASB 75. Compliance with GASB 75 requires that the State report its other post-employment benefit ("OPEB") liability and its annual required contribution, effective July 1, 2018. Like the pension liability, the OPEB liability calculated in accordance with GAAP can differ from the actuarial accrued liability. However, unlike the pension liability for which the State is putting money aside, the State pays the OPEB liability on a pay-as-you-go basis and is not prefunding the OPEB liability, other than the amounts set aside in the Retirees' Fund. In July 2023, The Segal Group (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation for the year ending June 30, 2023 (the "2023 Valuation"). The 2023 Valuation considered the medical, prescription drug, dental and life insurance coverage provided by PEBP. The report can be found at PEBP's website at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/OPEB-Actuarial-Report-for-the-Year-Ending-June-30-2023.pdf>.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and trends in healthcare costs. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In preparing the 2023 Valuation, the Actuary made certain assumptions, including current claim cost, projected increases in health insurance costs, mortality, turnover, retirement, disability and discount rate.

The State is required to prepare an actuarial valuation at least every two years and report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2023, the present value of the benefits of the Plan was \$1,868,741,579 according to the 2023 Valuation.

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Table 2B below sets forth the GASB 75 statistics for the year ending June 30, 2023.

Table 2B
GASB 75 Statistics

	June 30, 2023
Present Value of Benefits	\$1,868,741,579
OPEB Expense	85,379,178
Net OPEB Liability	1,442,207,734

Source: State of Nevada, compiled from the 2022 Valuation. Table reflects the PEBP data which includes both the State and NSHE employees as participants. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>

GASB 74 and 75. Table 2C below sets forth the present value of the State's benefits, actuarial accrued liability, annual required contribution, and annual OPEB cost, as presented in PEBP's GASB 74 and 75 reports and as determined in accordance with GAAP, for the three fiscal years ended June 30, 2023 the date of the last full valuation under GASB 74 and 75.

Table 2C
GASB 74 and GASB 75 Statistics

	June 30, 2021	June 30, 2022	June 30, 2023
Actuarial Accrued Liability (AAL)	\$1,498,058,675	\$1,540,182,727	\$1,422,115,023
Actuarial Value of Assets	(5,651,615)	(9,967,828)	(20,092,711)
Unfunded Accrued Actuarial Liability (UAAL)	1,503,710,290	1,550,150,555	1,442,207,734
Actuarial Determined Contribution (ADC)	123,306,000	127,659,000	134,727,734
GASB 75 Expense	85,776,704	76,323,290	85,379,178

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation for the past three fiscal years. Table reflects the PEBP which includes both the State and NSHE employees as participants. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>.

The actuarial accrued liability (the "AAL") is the State's liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Actuarial Determined Contribution (the "ADC") is the amount actuarially determined and represents the level of funding that, if paid on an on-going basis, is projected to cover the "service cost" for and amortize any unfunded accrued actuarial liabilities (the "UAAL") over a period of 30 years. The ADC was developed using the same assumptions as the June 30, [2022] valuation, including a 3.54% discount rate and a 25-year, level-dollar amortization of the UAAL. The UAAL is the difference between the AAL and the actuarial value of the Plan assets. The "service cost" is the value of the benefits expected to be earned during the year, based on certain actuarial methods and assumptions.

The Table 2D below sets forth the schedule of funding progress as presented in PEBP's GASB 74 and 75 reports as of the last four valuation dates.

Table 2D
OPEB Funding Progress
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (Value of Assets/AAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2020	\$231	\$1,393,813	\$1,393,582	0.0%	\$1,991,456	70.0%
6/30/2021	(5,652)	1,498,059	1,503,711	(0.4)	2,046,678	73.5
6/30/2022	(9,968)	1,540,183	1,550,151	(0.6)	2,090,282	74.2
6/30/2023	(20,093)	1,422,115	1,442,208	(1.4)	2,277,678	63.3

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2023 the date of the last full valuation under GASB 74 and 75. Table reflects the PEBP which includes both the State and NSHE employees as participants.

PEBP uses a number of economic and demographic assumptions in establishing contribution rates. Those assumptions that are generally applicable (not employee or claim-specific) are similar to those used by PERS. PERS has recently had an actuarial experience study done which, among other things, recommended that certain assumptions be modified. PEBP intends to follow those recommendations with respect to those categories of assumptions that are generally applicable.

PART II

APPENDIX A

**STATE OF NEVADA ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FY 2021
(EXCLUDING THE INTRODUCTORY SECTION AND STATISTICAL SECTION)**

[Note: Page numbers in Appendix A correspond to the
actual page numbers in the Annual Comprehensive Financial Report.]

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PART II

APPENDIX B

**STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES**

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**STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
(DOLLAR AMOUNTS IN THOUSANDS)**

[To be updated when 2022 ACFR available]

Revenues:	2018	2019	2020	2021	2022
Gaming taxes, fees, licenses	\$849,965	\$941,144	\$856,817	\$579,225	\$1,183,764
Sales taxes	1,337,930	1,465,518	1,493,718	1,671,351	1,679,872
Intergovernmental	4,867,647	5,246,960	5,273,127	7,102,604	8,365,723
Other taxes	2,034,732	2,179,148	2,129,808	2,322,141	2,428,699
Licenses, fees and permits	383,914	388,527	379,279	421,563	445,877
Sales and charges for services	67,368	70,008	67,688	62,789	69,741
Interest and investment income	9,593	44,987	49,745	3,268	(141,922)
Other	58,990	74,888	58,742	102,888	91,138
Total Revenues	9,610,139	10,411,180	10,308,924	12,265,830	14,122,892
Expenditures:					
Current					
General government	177,106	205,310	198,363	420,907	274,840
Health and social services	-	-	-	-	-
Health services	4,132,487	4,397,082	4,269,152	4,800,217	5,861,797
Social services	1,592,241	1,635,930	1,774,593	2,246,302	2,479,538
Education - K to 12	-	-	-	-	-
Education - K to 12 state support	1,612,584	1,595,968	1,803,605	1,701,099	1,109,429
Education - K to 12 administrative	562,281	602,009	633,393	681,183	-
Education - higher education	645,297	677,048	667,274	566,306	637,025
Law, justice and public safety	530,498	559,392	588,164	559,929	690,076
Regulation of business	292,615	310,440	289,108	432,792	585,355
Recreation & resource development	146,621	156,949	163,566	148,364	163,763
Debt service:					
Principal	2,727	2,933	2,888	2,985	33,541
Interest, fiscal charges	849	727	598	473	362
Debt issuance costs	141	9	-	37	278
Arbitrage payments	-	-	-	-	-
Total Expenditures	9,695,447	10,143,797	10,390,704	11,560,594	11,836,003
Excess (deficiency) of revenues over expenditures	(85,308)	267,383	(81,780)	705,235	2,286,889
Other financing sources (uses):					
Lease liabilities incurred					89,211
Sales of bonds	7,940	975	-	2,675	13,655
Premium on bonds	949	39	-	364	1,625
Payment to Refunded bond agency	(3,996)	-	-	-	-
Sale of capital assets	617	123	96	335	241
Transfers in	109,529	120,269	128,587	295,005	112,198
Transfers out	(15,864)	(127,848)	(50,797)	(122,449)	(1,935,249)
Total other financing sources (uses)	99,175	(6,442)	77,886	175,930	(1,718,319)
Net change in fund balances	13,867	260,941	(3,894)	881,166	568,570
Fund balances, July 1 (as restated¹)	533,879	547,746	808,687	539,864	1,425,532
Fund balances June 30	\$547,746	\$808,687	\$804,793	\$1,421,029	\$1,994,102

- (1) Fund balance in the General Fund was restated: (a) In fiscal year 2018 due to the understatement of Medicaid IBNR and the related federal reimbursements in FY 2017 and (b) In fiscal year 2021 due to the understatement of Medicaid IBNR, overstatement of Medicaid IBNR related reimbursement and understatement of Medicaid expenditure in FY 2020.

Source: State of Nevada, Annual Comprehensive Financial Reports, 2018-2022.

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PART II

APPENDIX C

**MAY 4, 2021 ECONOMIC FORUM FORECAST
ADJUSTED FOR 2021 LEGISLATIVE ACTIONS AND COURT DECISIONS**

ATTACHMENT E

June 16, 2023 Board of Finance – Agenda #9 Memo

Zach Conine
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

TO: Board of Finance (Board) Members

FROM: Cari Eaton, Deputy Treasurer - Debt Management

SUBJECT: June 16, 2023 Agenda Item #9 – Information on Refunding Certain Outstanding Certificates of Participation: Series 2013A - Capitol Complex Building 1 Refunding Project; Series 2013B - Casa Grande Refunding Project; and 2013C - Nevada State College Project

DATE: May 31, 2023

Agenda Item #9:

Informational Item/No Action Required - Discussion and informational item on possible refunding of three outstanding Certificates of Participation to realize interest rate savings related to the lease-purchase agreements for the Capitol Complex 1 building, the Casa Grande Transitional Housing facility and Nevada State College's nursing/science/education building and the student activities/administration building.

Executive Summary:

Agenda Item #9 concerns refunding three of four outstanding Certificates of Participation (COPs) projects:

- Series 2013A Capitol Complex Building 1 (Bryan Building or CCB1)
- Series 2013B Casa Grande
- Series 2013C Nevada State College (NSC)

COPs are not general obligations of the State, are not paid with the \$0.17 property tax, and are subject to annual appropriation by the legislature; therefore, these securities are not considered debt obligations of the State or subject to the Constitutional debt limit. These securities are also not factored into the debt affordability model.

The approval process and documentation associated with the issuance and refunding of COPs differs substantially from the General Obligation bonds normally presented for approval to the Board of Finance (Board). To keep members informed throughout the refunding process, the Treasurer's office will present information at the following Board meetings:

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

June 16, 2023 Meeting - Informational item describing Certificates of Participation, the method by which they are approved, the reason they are utilized, and background of COP issuances.

August 17, 2023 Meeting – Action item considering the Board resolution approving the form of Lease-Purchase Agreement and related documents for each of the COP series proposed to be refunded. Related bond documents are listed below:

- Building Ground Lease
- Certificate Purchase Agreement
- Indentures of Trust
- Lease Purchase Agreements
- Escrow Agreements
- Disclosure Dissemination Agreement

October 19, 2023 Meeting – Action item considering the Board resolution approving the completed Lease-Purchase Agreement and related sale documents for each of the COP series proposed to be refunded. The sale of the refunding COPs is scheduled for the morning of October 19th, 2023. The final documents, including the sale results, will be completed and presented to the Board for approval on the same day.

Each of the COP series proposed to be refunded were originally issued for 30-year terms with a 10-year “call” feature, which means the COPs were not eligible to be refunded for 10 years. The CCB1 project and the Casa Grande project were originally issued in 2004 and refunded for the first time in 2013. If the Board approves the proposed refundings, this will be the last refunding for the CCB1 and Casa Grande projects. The Nevada State College project was originally issued in 2013. If the Board approves the proposed refundings, the Nevada State College project may be refunded again in 2033, once reaching the next 10-year call date.

The estimated savings for the proposed COP refundings are summarized in the table below:

Estimated Savings from Refunding Series 2013A, 2013B and 2013C COPs

New COP Series	Program	Estimated Refunded Par	Estimated Refunding Par as of 6/01/23	**Est. NPV Savings	**Est. NPV Savings as % of Refunded Par	Remaining Term (Years)
Series 2023A	CCB1 Refunding Project	\$ 10,360,000	\$ 9,810,000	\$ 396,591	3.83%	8
Series 2023B	Casa Grande Refunding Project	\$ 9,725,000	\$ 9,210,000	\$ 367,268	3.78%	8
Series 2023C	Nevada State College Refunding Project	\$ 42,720,000	\$38,770,000	\$ 4,287,508	10.04%	20
		\$ 62,805,000	\$57,790,000	\$ 5,051,367		

**Net present value savings (NPV) after factoring in restructure costs and discounting future cash flows to present value.

Refunding savings are sensitive to rates and market conditions at the time of sale. By authorizing the refundings, the Treasurer is given the flexibility to react quickly should the market move in the

State's favor. If the market moves unfavorably to the State, some or all of the proposed refundings may be either delayed or not issued.

Background:

NRS 353.500 through 353.630 authorizes the issuance of lease-revenue bonds, also known as Certificates of Participation (COPs), as an alternative method to finance certain capital improvement projects. COPs are tax-exempt securities representing an undivided interest in payments made pursuant to a lease-purchase agreement and are structured as a series of one-year renewable obligations spread over the life of the asset.

In a lease-purchase arrangement, the State leases unimproved land to a separate legal entity, which in the case of State COPs is the Nevada Real Property Corporation (NRPC). Pursuant to SB 495 in the 1997 Legislative Session, the NRPC was incorporated in 1998 under the provisions of Chapter 81 as a Nonprofit Cooperative Corporation Without Stock for the primary purpose of issuing COPs to finance State buildings as an alternative to issuing general obligation or revenue bonds. The NRPC Board consists of three Directors elected by NRPC members. Traditionally, the State Treasurer, the Director – Governor’s Finance Office, and the Chief Deputy Treasurer have been elected to serve as the Directors. The NRPC maintains no bank accounts, nor holds any assets as a Trustee is assigned to each project financed by the issuance of COPs.

The NRPC raises funds for the financing of land and capital improvements through the sale of COPs to investors. The NRPC then subleases the improved facilities back to the State. The State pays yearly lease payments to the NRPC that equal the principal and interest due on the COPs to the certificate holders. COPs are not technically debt of the State, since the payment obligation to holders of the COPs is extinguished if the legislature fails to appropriate monies for the ensuing year to make lease payments, nor do COPs pledge the full faith and credit of the State.

Over the last twenty-five years, the State has used this power to finance five facilities through the issuance of COPs. As of June 1, 2023, four COPs financed through the NRPC remain outstanding: the Capitol Complex Building 1 (Bryan Building) in Carson City; the Casa Grande Transitional Housing Center in Las Vegas; two buildings on the Nevada State College campus in Henderson; and the Legislative Counsel Bureau Printing Office in Carson City.

Capitol Complex Building 1 (Bryan Building)

In 2004, the Division of Conservation and Natural Resources (DCNR) proposed the construction and use of a five-story office building of approximately 120,000 square feet with associated surface parking, and COPs were issued to finance this project. The COPs were titled “Lease Revenue Certificates of Participation (Capitol Complex Building 1 Project), Series 2004.”

The 2004 Certificates became “callable” in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013A Capitol Complex Building 1 Refunding COPs yielded interest savings of \$2.44 million, or 11.50% of refunded par. The proposed issuance of the Series 2023A Capitol Complex Building 1 Refunding COPs are estimated

to yield approximately \$400,000 (3.8% of refunded par) of interest savings over the remaining 8-year term.

Casa Grande Detention Facility

In 2004, the Nevada Department of Corrections proposed the construction and use of the Casa Grande Transitional Housing Facility. The Casa Grande project is a re-entry center for non sex offenders who will serve their last four to six months of incarceration in community-based housing provided by the Nevada Department of Corrections (department), a state agency. The project enables the department to provide services to offenders that will help them successfully reintegrate into the community upon their release from custody. The financed improvements included a one-story administrative building, administrative offices, offender food service, training and conference rooms, and counseling offices and a two-story housing for up to 400 residents. The COPs were titled “Lease Revenue Certificates of Participation (Casa Grande Project), Series 2004”.

The 2004 Certificates became “callable” in 2013. Due to favorable interest rates in 2013, the 2004 Certificates were refinanced for interest rate savings. The Series 2013B Casa Grande Refunding COPs yielded interest savings of \$1.73 million, or 8.59% of refunded par. The proposed issuance of the Series 2023B Casa Grande Project Refunding COPs is estimated to yield approximately \$367,000 (3.8% of refunded par) of interest savings over the remaining 8-year term.

Nevada State College (NSC) Project

In 2013, the Nevada System of Higher Education (NSHE) proposed the construction of two new buildings on Nevada State College’s campus – a nursing/science/education building and a student activities/administration building. The two facilities totaled 120,000 square feet for a cost of \$51.6 million. The Series 2013C Lease Revenue Certificates of Participation (Nevada State College Project) will be “callable” this fall. The proposed issuance of the Series 2023C Nevada State College Lease Revenue Refunding COPs is estimated to yield approximately \$4,287,000 (10.04% of refunded par) of interest savings over the remaining 20-year term.