

Summary An ordinance authorizing the issuance by the City of Reno, Nevada of its General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025A and Series 2025B (Principal Forgiveness), and providing other matters relating thereto.

BILL NO.

ORDINANCE NO.

(of the City of Reno, Nevada)

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF RENO, NEVADA OF ITS GENERAL OBLIGATION (LIMITED TAX) SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 2025A IN THE MAXIMUM PRINCIPAL AMOUNT OF \$69,599,200 AND SERIES 2025B IN THE MAXIMUM PRINCIPAL AMOUNT OF \$400,800 (PRINCIPAL FORGIVENESS) FOR THE PURPOSE OF FINANCING THE AMERICAN FLAT ADVANCED PURIFIED WATER FACILITY (APWF) SEWERAGE PROJECT FOR THE CITY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS AND OTHER DETAILS IN CONNECTION THEREWITH; AND PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Reno in the County of Washoe and State of Nevada (the "City," the "County," and the "State," respectively) is a political subdivision of the State duly organized and operating as a city under the provisions of an act entitled "AN ACT incorporating the City of Reno in Washoe County, Nevada, and defining the boundaries thereof; under a new charter; and providing other matters properly relating thereto," cited as chapter 662, Statutes of Nevada, 1971, as amended (the "Charter"); and

WHEREAS, the City now owns and operates a municipal sanitary sewer system (the "Sewer System"); and

WHEREAS, pursuant to the Charter, pursuant to NRS 268.672 through 268.740, inclusive (the "City Bond Law"), and pursuant to Chapter 350 of NRS and all laws amendatory thereof which includes the Local Government Securities Law, being NRS 350.500 through 350.720, and all laws amendatory thereof (the "Bond Act"), the City Council of the City (the "Council") is authorized to issue general obligation bonds in order to finance sewerage projects as defined in NRS 268.714 for the City (the "Project"); and

WHEREAS, the Council does hereby declare that it is necessary and for the best interest of the City to complete the Project and that the bonds herein authorized to be issued for such purpose shall be designated as the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured By Pledged Revenues), Series 2025A" and the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured By Pledged Revenues), Series 2025B (Principal Forgiveness)" each to be issued as a single bond (the "2025A Bond" and the "2025B Bond", respectively, and collectively, the "Bonds"); and

WHEREAS, pursuant to NRS 350.011 to 350.0165, inclusive, the Council submitted to the Debt Management Commission of Washoe County (the "Commission") the City's proposal to issue the Bonds in the maximum principal amount of \$70,000,000 (the "Proposal"); and

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

WHEREAS, pursuant to NRS 350.020(3), the City published a notice of a public hearing and held a public hearing thereon and published a notice of its intent to issue the Bonds in the maximum principal amount of \$70,000,000, and no petition in conformity with NRS 350.020(3) requesting an election on the Bonds was presented to the Council within 90 days after such publication; and

WHEREAS, the City has requested the Director of the Department of Conservation and Natural Resources as Administrator of the State of Nevada Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects (the "Director" and the "Revolving Fund," respectively), under NRS 445A.060 to 445A.160, inclusive (the "State Project Act"), to make a loan to the City by purchasing the 2025A Bond in the maximum principal amount of \$69,599,200 and the 2025B Bond in the maximum principal amount of \$400,800 to finance the Project; and

WHEREAS, the Director authorized loans to the City in the maximum principal amount of \$70,000,000 of which \$400,800 represented by the 2025B Bond shall be a principal forgiveness loan; and

WHEREAS, the City intends to hereby authorize the issuance of its 2025A Bond in the principal amount as set forth in the 2025A Loan Contract (hereinafter defined) not to exceed \$69,599,200 to evidence the obligation to repay the loan from the Revolving Fund; and

WHEREAS, the City intends to hereby authorize the issuance of its 2025B Bond in the principal amount as set forth in the 2025B Loan Contract (hereinafter defined) not to exceed \$400,800 to evidence the obligation to repay the loans from the Revolving Fund; and

WHEREAS, the Bond Act, the State Project Act and NRS 350.105 to 350.195, inclusive, permit the Bonds to be sold at private sale to the State; and

WHEREAS, after private negotiation pursuant to the Bond Act and the State Project Act, the Council has determined to sell the Bonds to the State for a price equal to the principal amount of the Bonds as set forth in the Loan Contracts (as defined herein) and otherwise upon the terms provided below and in the Loan Contracts; and

WHEREAS, the effective interest rate on the Bonds shall not exceed by more than 3% the "Index of Twenty Bonds" which was most recently published in The Bond Buyer before a negotiated offer is accepted for the Bonds; and

WHEREAS, City has previously issued the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2020" (the "2020 Bond") and the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Refunding Bond (Additionally Secured by Pledged Revenues), Series 2016" (the "2016 Bond") and other than the 2016 Bond and the 2020 Bond, there are no obligations outstanding which are secured in whole or part by the Net Revenues; and

WHEREAS, the Council has determined and hereby declares:

(1) It is necessary and for the best interests of the City to effect the Project and to issue the Bonds;

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

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

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:

SECTION 1. Short Title. This Ordinance shall be known and may be cited as the "2025 Sewer Bond Ordinance."

SECTION 2. Definitions. The terms in this Section and in the preambles hereof defined for all purposes of this Ordinance and of any instrument amendatory hereof or supplemental hereto, and of any other instrument or any other document relating hereto, except where the context by clear implication otherwise requires, shall have the meanings in this section and in said preambles specified:

"**Acquisition Fund**" means the City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025, Acquisition Fund" created by this Ordinance.

"**2016 Bond**" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Refunding Bond (Additionally Secured by Pledged Revenues), Series 2016."

"**2020 Bond**" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2020."

"**2025A Bond**" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025A."

"**2025B Bond**" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025B (Principal Forgiveness)."

"**Bond**" or "**Bonds**" means the 2025A Bond and the 2025B Bond.

"**Bond Fund**" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025, Interest and Principal Fund" created by this Ordinance.

"**Bond Requirements**" means the principal of, interest on, and any prior prepayment premiums due in connection with the Bonds or other additional securities payable from the Pledged Revenues and heretofore or hereafter issued, or such part of such Bonds or such other securities relating to the Sewer System as may be designated, as such principal, interest, and any premium becoming due at maturity or on a Prepayment Date designated in a notice of prior prepayment, or otherwise.

"Bond Year" means the 12 months commencing on the date of delivery of the Bonds or the annual anniversary thereof.

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

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

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

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

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

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

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

F. The costs of contingencies;

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

H. The costs of amending any resolution or other instrument authorizing the issuance of or otherwise appertaining to Outstanding bonds or other securities of the City;

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

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

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

L. The administrative expenses and costs of the State Treasurer through the Department of Conservation and Natural Resources relevant to its making a loan for the Project; and

M. All other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the Council.

"City Treasurer" means the de jure or de facto city treasurer of the City and designated as such by the City.

"Department" means the State of Nevada Department of Conservation and Natural Resources acting by and through the Nevada Division of Environmental Protection.

"Director" means the Director of the Department of Conservation and Natural Resources as Administrator of the State of Nevada Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects.

"Federal Government" means the United States, or any agency, instrumentality or corporation thereof.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

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

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

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

"Interest Account" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025, Interest Account" created herein

"2025A Loan Contract" means the loan agreement between the Department and the City concerning the 2025A Bond.

"2025B Loan Contract" means the loan agreement between the Department and the City concerning the 2025B Bond.

"Loan Contracts" means the 2025A Loan Contract and the 2025B Loan Contract.

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

"Operation and Maintenance Expenses" or any phrase of similar import, means all reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the Sewer System, including, without limitation:

A. engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the Sewer System;

B. fidelity bond and property and liability insurance premiums pertaining to the Sewer System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Sewer System;

C. payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

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

E. the reasonable charges of any Paying Agent or Registrar and any depository bank pertaining to the Bonds or any other securities payable from Gross Revenues or otherwise pertaining to the Sewer System;

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

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

H. any costs of utility services furnished to the Sewer System;

I. any lawful refunds of any Gross Revenues; and

J. all other administrative, general and commercial expenses pertaining to the Sewer System, including payment of any amounts due the United States under Section 148(f) of the Tax Code in connection with any securities payable from revenues of the Sewer System in such amounts as are required to meet the City's obligations under Section 148(f) of the Tax Code; but excluding:

(1) any allowance for depreciation;

(2) any costs of extensions, enlargements, betterments and other improvements, or any combination thereof;

(3) any reserves for major capital replacements, other than normal repairs;

(4) any reserves for operation, maintenance or repair of the Sewer System;

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

(6) any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities, or any combination thereof, pertaining to the Sewer System, or otherwise; and

(7) any liabilities imposed on the City for any ground of legal liability not based on contract, including, without limitation, negligence in the operation of the Sewer System.

"Operation and Maintenance Fund" means the special account designated as the "City of Reno, Nevada Sewer Bonds Operation and Maintenance Fund," previously created and authorized to be continued herein.

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

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

B. Except any Bonds or other security for the payment or the prepayment of which moneys at least equal to its Bond Requirements to the date of maturity or to any Prepayment Date shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 59 hereof; and

C. Except any Bonds or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

"Parity Securities" means bonds or securities payable from the Pledged Revenues on a parity with the Bonds, the 2016 Bond and the 2020 Bond.

"Paying Agent" means the City Finance Director or any successor thereto as paying agent for the Bonds designed by the City Finance Director.

"Person" means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State or any other body corporate and politic other than the City),

partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

"Pledged Revenues" means all or a portion of the Net Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification.

"Principal Account" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025, Principal Account" created herein.

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

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

"Purchaser" means the State Treasurer of the State of Nevada, as custodian of the Revolving Fund.

"Rebate Account" means the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025, Rebate Account" created in this Ordinance.

"Registrar" means the City Finance Director or any successor thereto as registrar for the Bonds appointed by the City Finance Director.

"Revenue Fund" means the special account designated as the "City of Reno, Nevada Sewer System Gross Pledged Revenues Fund," previously created and authorized to be continued herein.

"Revolving Fund" means the Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects of the State of Nevada created by NRS 445A.120.

"Sewer System" means the Sewer system of the City, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City through purchase,

construction or otherwise, and used in connection with such system of the City, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the City, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such system is from time to time extended, bettered or otherwise improved, or any combination thereof..

"Single Bond" means the single registered, negotiable sewer revenue bond issued hereunder in lieu of serial bonds.

"Subordinate Securities" means bonds or securities payable from the Pledged Revenues subordinate and junior to the lien thereon of the Bonds.

"Superior Securities" means special obligation bonds or securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds herein authorized.

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

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

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

SECTION 3. Sale of Bonds; Approval of Loan Contract. The sale of the Bonds to the State on the terms provided herein and in accordance with the State Water Pollution Control Revolving Fund Loan Contract (the "Loan Contract") between the State and the City, to be executed by the Finance Director or City Manager on behalf of the City, is hereby approved and accepted in substantially the form as is now on file in the office of the City Clerk, with such changes as are approved by the Finance Director or the City Manager, whose execution thereof shall constitute conclusive evidence of the approval of such changes.

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

SECTION 5. Estimated Life of Facilities. The Council, on behalf of the City, has determined and does hereby declare that the estimated life or estimated period of usefulness of the facilities to be financed with the Bonds is not less than the term of the Bonds.

SECTION 6. Necessity of Project and Bond. It is necessary and in the best interests of the Council, the officers of the City, and the inhabitants of the City, that the City effect the Project and defray wholly or in part the cost thereof by the issuance of the Bonds therefor and it is hereby so determined and declared. The Council hereby authorizes the Project.

SECTION 7. Ordinance to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by those who shall own the same from time to time, the provisions hereof shall be deemed to be and shall constitute a contract between the City and the Registered Owners from time to time of the Bonds.

SECTION 8. Bonds Equally Secured. The covenants and agreements set forth in this Ordinance to be performed on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bond, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds of the issue over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

SECTION 9. General Obligations. All of the Bond, as to all Bond Requirements, shall constitute general obligations of the City, which hereby pledges the full faith and credit of the City for their payment. The Bond, as to all Bond Requirements, shall be payable from General Taxes (except to the extent that other moneys, such as Pledged Revenues, are available therefor) as provided in this Ordinance.

SECTION 10. Pledged Revenues. The payment of the Bond Requirements of the Bonds is additionally secured by an irrevocable pledge of and by a lien (but not necessarily an exclusive lien) on the Net Revenues, constituting Gross Revenues after provision is made for the payment of the Operation and Maintenance Expenses, on a parity with the Outstanding Parity Securities and any other Parity Securities hereafter issued

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

SECTION 12. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon

this Ordinance or any other instrument relating thereto, against any individual member of the Council or any officer or other agent of the Council or City, past, present or future, either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of its issuance specially waived and released.

SECTION 13. Authorization of Bond. For the purpose of providing funds to pay all or a portion of the Cost of the Project, the City shall issue its "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025A," in the principal amount designated in the 2025A Loan Contract. The principal amount of the 2025A Bond shall not exceed \$69,599,200, and the 2025A Bond shall be issued in the form substantially set forth in Section 23 hereof. For the purpose of providing funds to pay all or a portion of the Cost of the Project, the City shall issue its "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025B," in the principal amount designated in the 2025B Loan Contract. The principal amount of the 2025B Bond shall not exceed \$400,800, and the 2025B Bond shall be issued in the form substantially set forth in Section 23 hereof.

SECTION 14. Bond Details. The Bonds shall be issued in fully registered form, i.e., registered as to both principal and interest, in compliance with Section 149 of the Tax Code, and the regulations of the Secretary of the Treasury thereunder. The Bonds shall be dated initially as of the date of delivery thereof to the State, and shall be each issued as a single bond in the maximum principal amount of \$69,599,200 for the 2025A Bond and \$400,800 for the 2025B Bond. The District's indebtedness as represented by the Bonds shall be \$70,000,000 or such lesser amount as shall represent the aggregate principal amount advanced under the applicable Loan Contract as shown on the principal advance panel attached to each Bond. The 2025B Bond may be issued in one series or more and shall be issued and the principal amount forgiven by the Department pursuant to the Department's loan forgiveness program on the date of issue of the 2025B Bond under the 2025B Loan Contract. The 2025A Bond shall bear interest (calculated on the basis of a 360 day year consisting of twelve 30 day months) at the rate set forth in the 2025A Loan Contract on the unpaid principal amount advanced from the date or dates of each advance until the principal thereof is paid in full. Interest payments on the 2025A Bond shall be payable semiannually on

January 1 and July 1 of each year commencing on the January 1 or July 1 immediately succeeding the date of the first principal advance made to the District under the 2025A Loan Contract. Principal payments under the 2025A Bond shall be made semiannually on January 1 and July 1, commencing on the first January 1 or July 1 immediately following the date the District draws the maximum principal amount authorized (i.e. \$69,599,200) under the 2025A Loan Contract, the date the District completes the Project, or three years from the date of the initial principal advance under the Loan Contract, whichever occurs first. The amount of principal and interest payments shall be substantially in the amounts set forth in the 2025A Loan Contract, provided that the principal and interest payments shall be structured so as to produce payments substantially consistent in amount from payment date to payment date and which shall amortize the outstanding principal amount of the 2025A Bond as set forth in the 2025A Loan Contract.

The principal of the 2025A Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar without presentation and surrender at the office of the Paying Agent except upon final maturity or prior redemption in whole thereof. If any installment of principal or any accrued interest shall not be paid on or ten days after maturity or the interest payment date, as applicable, interest shall continue to accrue at the applicable interest rate until the principal or unpaid accrued interest thereof is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date for the principal installment and 10 days after the interest payment date for unpaid accrued interest. Payment of interest on the 2025A Bond shall be made to the registered owner thereof by wire or electronic transfer, check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof, at the owner's address as shown on the registration records kept by the Registrar as of the close of business on the fifteenth day of the calendar month next preceding each interest payment date (other than a special interest payment date hereafter fixed for payment of defaulted interest) (the "Regular Record Date"); but any such interest not so timely paid or duly provided for shall cease to be payable to the owner thereof as shown on the registration records of the Registrar as of the close of business on the Regular Record Date and shall be payable to the owner thereof, at such owner's address, as shown on the registration records of the Registrar as of the close of business on a date fixed to determine the names and addresses of owners for the purpose of paying defaulted interest (the "Special

Record Date"). Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Bonds not less than ten days prior thereto by electronic or first-class mail to each such owner as shown on the Registrar's registration records as of a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

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

SECTION 15. Prepayment Option.

A. Optional Prepayment. Installments of principal on the 2025A Bond shall be subject to prepayment prior to maturity, at the option of the City as directed by the City Finance Director, in whole or in part on any January 1 or July 1 from any installments of principal selected by the City as directed by the City Finance Director, at a price equal to the principal amount of the 2025A Bond, or portion thereof, so prepaid, and the accrued interest thereon to the Prepayment Date; provided that (i) the State Treasurer consents in writing to such prepayment or (ii) a change in use of the facilities financed by the 2025A Bond occurs which change in use necessitates remedial action under Treas. Reg. Section 1.141-12 in order to comply with the covenant in Section 58 hereof.

B. Partial Prepayment. In the case of a partial prepayment of the 2025A Bond pursuant to subsection (A) hereof, the Paying Agent shall select the portions of installments of the 2025A Bond to be prepaid by lot at such time as directed by the City Finance Director (but at least

30 days prior to the prepayment date), and if such selection is more than 60 days before a Prepayment Date, shall direct the Registrar to appropriately identify the principal installments of the 2025A Bond so called for prepayment by making a notation at the time the 2025A Bond or installments of principal thereof so selected for prepayment is presented to the Registrar for stamping or for exchange, or by such other method of identification as is deemed adequate by the Registrar, and any installments of the 2025A Bond issued in exchange for, or to replace, the 2025A Bond so called for prepayment shall likewise be identified.

C. Notice of Prepayment. Unless waived by the owner of the 2025A Bond or installments of principal to be prepaid, official notice of any such prepayment shall be given by the Registrar by sending an official prepayment notice electronically or otherwise at least 30 days and not more than 60 days prior to the date fixed for prepayment to the registered owner of the 2025A Bond or any installment of principal to be prepaid at the address shown on the 2025A Bond register. Actual receipt of notice by the owner of the 2025A Bond shall not be a condition precedent to prepayment of such 2025A Bond or any installment of principal. Failure to give such notice to the registered owner of the 2025A Bond, or any defect therein, shall not affect the validity of the proceedings for the prepayment of any other installment of principal of the 2025A Bond. A certificate by the Registrar that such notice has been given as herein provided shall be conclusive against all parties.

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

- (1) The Prepayment Date,
- (2) The Prepayment Prices,
- (3) If less than all Outstanding installments of principal due on the 2025A Bond are to be prepaid, the identification (and, in the case of partial prepayment, the respective principal amounts) of the installments of principal on the 2025A Bond to be prepaid,
- (4) That on the Prepayment Date the Prepayment Price will become due and payable upon each such installments of principal to be prepaid or portion thereof called for prepayment, and that interest thereon shall cease to accrue from and after said date, and
- (5) The place where such 2025A Bond is to be surrendered for payment of the Prepayment Price, which place of payment shall be the office of the Paying Agent (accrued interest to the prepayment date being payable by mail or as otherwise provided in this Ordinance).

Prior to or on any Prepayment Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Prepayment Price of all installments of principal on the 2025A Bond or portions thereof which are to be prepaid on that date.

Official notice of prepayment having been given as aforesaid, the 2025A Bond or installments thereof so to be prepaid shall, on the Prepayment Date, become due and payable at the Prepayment Price therein specified, and from and after such date (unless the City shall default in the payment of the Prepayment Price) such 2025A Bond or installments thereof shall cease to bear interest. Upon surrender of such Bond for prepayment in accordance with said notice, such Bond shall be paid by the Paying Agent at the Prepayment Price. Installments of interest due on or prior to the Prepayment Date shall be payable as herein provided for payment of interest. Upon surrender for any partial prepayment of the 2025A Bond, there shall be prepared for the registered owner a new Bond of the same maturity in the amount of the unpaid principal. All installments of principal on the 2025A Bond or the 2025A Bond which have been prepaid shall be noted on the prepayment panel appended to the 2025A Bond. Notwithstanding the provisions of this section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 2025A Bond so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the 2025A Bond called for redemption in the same manner as the original redemption notice was sent.

SECTION 16. Compliance with Federal and State Laws. The City agrees that it will, at all times that the Bonds are outstanding, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations and requirements. The City covenants that it will comply with the requirements of the 40 CFR Part 31 and comply with, implement and fulfill all environmental mitigation measures committed to by the City as a part of its request to the Director for financing from the Revolving Fund.

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

SECTION 18. Registration, Transfer and Exchange of Bond. The Bonds shall be subject to the following provisions relating to their registration, transfer and exchange:

A. Records for the registration of the Bonds shall be kept by the Registrar.

B. The person in whose name any Bonds shall be registered, on the registration records kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes; and payment of or on account of either principal or interest on any Bonds shall be made only to or upon the written order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to discharge the liability upon the Bonds to the extent of the sum or sums so paid.

C. If the Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the City may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond. If such lost, stolen, destroyed or mutilated Bond shall have matured, or shall have been called for prepayment, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

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

E. The Registrar shall maintain registration records for the Bonds showing the name and address of the registered owner, the amounts and dates of any principal prepayments on the Bonds.

SECTION 19. Execution and Authentication.

A. Prior to the execution of any Bonds by facsimile signature and pursuant to NRS 350.638, pursuant to NRS Chapter 351, known as the Uniform Facsimile Signatures of Public Officials Act, the Mayor of the City (the "Mayor"), the City Treasurer and the City Clerk shall each file with the Secretary of the State of Nevada, such officer's manual signature certified by such officer under oath.

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

C. The Bonds shall not be valid or obligatory for any purpose unless the registration panel thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. By initially executing the registration panel, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

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

SECTION 20. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligation of the City, notwithstanding that before the delivery thereof and the payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Each the Mayor, the City Treasurer and City Clerk, at the time of the execution of the Bonds and of a signature certificate pertaining thereto by the Mayor, the Treasurer and the City Clerk, respectively, may adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon the Bonds.

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

SECTION 22. State Tax Exemption. Pursuant to NRS 350.710, the Bonds, their transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and except for the tax on generation skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

SECTION 23. Use of Single Bond. The Bonds shall be initially evidenced by a single registered Bond in the maximum principal amount set forth in the Loan Contracts for the applicable Bond, numbered R-1, which Bond shall be signed and executed in the name of and on behalf of the City with the manual or facsimile signature of the Mayor, shall be countersigned and executed with the manual or facsimile signature of the City Treasurer, and shall bear a manual impression or a facsimile impression of the official seal of the City attested with the manual or facsimile signature of the City Clerk. The principal installments and interest on the Bonds shall be paid by wire or electronic transfer, check, draft or warrant made to the order of the registered owner of the Bonds and mailed electronically or otherwise to the address of the registered owner shown on the

Bond registration records of the Registrar on or before such payment date, or if such payment date is not a business day, on or before the next succeeding business day. So long as the State is the registered owner, such payment shall be made by depositing with the State Treasurer by electronic transfer, on or before the payment date, or if such payment date is not a business day, on or before the next succeeding business day, immediately available funds in an amount sufficient to make the payment then due. The final installment of principal on the Bonds shall be made only upon surrender of the Bonds at the office of the Paying Agent. The Bonds shall mature in installments of principal and bear interest substantially as provided in Section 14 hereof. If a portion of principal of the Bonds is called for prepayment, payment of the principal or Prepayment Price of or interest on the Bonds, due on or after the date fixed for prepayment shall be made without presentment and the Paying Agent shall provide a notation of the installments of principal so called for prepayment to be made on such Bond. The Bonds must be registered in the name of its owner and may be assigned by the registered owner in the manner and with the effect set forth in the provisions for registration contained in the form thereof hereinafter set forth.

The City Finance Director shall act as Registrar and Paying Agent and shall maintain registration records for the Bonds showing the name and address of the registered owner, the amounts and dates of any principal prepayments on the Bonds, and the dates of any transfers of the Bonds.

SECTION 24. Form of Bond. Subject to the provisions of this Ordinance, each Bond shall be in substantially the following form with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**CITY OF RENO, NEVADA
GENERAL OBLIGATION (LIMITED TAX) SEWER BOND
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2025[A][B]**

No. R-1

Maximum Principal Amount: [\$69,599,200]
[\$400,800]

CONTRACT NO. CW _____ Interest Rate Per Annum: _____%

The City of Reno (the "City"), in the State of Nevada (the "State") for value received hereby acknowledges itself to be indebted and promises to pay to the State of Nevada, c/o the State Treasurer, for deposit to the Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects (the "Revolving Fund") the maximum principal amount of

_____ **DOLLARS (\$_____.00)**

or such lesser amount as shall represent the aggregate principal amount advanced under the State Water Pollution Control Revolving Fund Loan Contract (the "Loan Contract") between the City and the State Department of Conservation and Natural Resources, as is hereby required to be shown by the City Finance Director, acting as registrar (the "Registrar"), on the principal advance panel appended hereto, in installments of principal in the amounts and dates to be determined in accordance with the Loan Contract and pursuant to the ordinance duly adopted by the City Council (the "Council") of the City on _____, 2025 (the "Ordinance") (unless prepaid as provided herein and such prepayment is noted on the Prepayment Panel appended hereto) in lawful money of the United States of America, together with interest on the unpaid advances of principal until payment of such advances of principal shall have been discharged as provided in the Ordinance calculated on the basis of a 360 day year of twelve 30 day months, said interest being payable on January 1 and July 1 of each year immediately succeeding the date of the first advance, and said installments of principal bearing interest at the rate of _____% per annum as set forth in the Loan Contract, and being payable on January 1 and July 1 of the years and in the amounts and at the times designated in the Ordinance and the Loan Contract.

[For 2025B Bond: The 2025B Bond is issued in the principal amount of \$400,800.00 and the principal amount shall be forgiven by the Department pursuant to the Department's loan forgiveness program on the date of issue of the 2025B Bond under the 2025B Loan Contract and the 2025B Bond shall bear no interest.]

The principal of and interest on this Bond (the "Bond Requirements") are payable by wire or electronic transfer, check, draft or warrant made to the order of the registered owner hereof and mailed electronically or otherwise by the City Finance Director or any successor thereto as paying agent for this Bond (the "Paying Agent") to the address shown for the registered owner on the registration records of the City Finance Director or any successor thereto as registrar for the Bonds (the "Registrar"). If the State is the registered owner hereof, payment of the Bond Requirements shall be made by depositing with the State Treasurer, on or before any principal or interest payment date or prior prepayment date, the amount coming due on such payment date, by electronic transfer in immediately available funds. So long as the State is the registered owner, such payment shall be made by depositing with the State Treasurer, not later than the principal or interest payment date, the amount coming due on this Bond on such date, or if such payment date is not a business day, on or before the next succeeding business day, immediately available funds in an amount sufficient to make the payment then due. If any installment of principal or any accrued interest shall not be paid on or ten days after maturity or the interest payment date, as applicable, interest shall continue to accrue at the applicable interest rate until the principal or unpaid accrued interest thereof is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date for the principal installment and 10 days after the interest payment date for unpaid accrued interest. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the City to defray, in part, the cost of financing sewerage projects as defined in NRS 268.714 of the City (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Chapter 662, Statutes of Nevada 1971 (the "Charter"), of Nevada Revised Statutes ("NRS"); pursuant to NRS 350.500 through 350.720, and all laws amendatory thereof, designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS 268.672 through 268.740 (the "City Bond Law"); pursuant to

NRS 445A.060 to 445A.160, inclusive (the "State Project Act"); pursuant to NRS 350.628, this recital is conclusive evidence of the validity of the Bonds and the regularity of its issuance; and pursuant to NRS 350.710, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and except for the tax on generation skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

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

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

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the City from the operation and use of, and otherwise pertaining to, the sewer system of the City (herein called the "Sewer System"), after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Sewer System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

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

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

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

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

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

IN WITNESS WHEREOF, the City of Reno, Nevada, has caused this Bond to be signed and executed in the name of and on behalf of the City with the [electronic/manual/facsimile]

signature of the Mayor, to be countersigned with the [electronic/manual/facsimile] signature of the City Treasurer, and to be countersigned, subscribed, executed and attested with the [electronic/manual/facsimile] signature of the City Clerk, has caused the [electronic/authentic/facsimile] of the corporate seal of the City to be affixed hereon, and has caused this Bond to be dated as of the date specified above.

CITY OF RENO, NEVADA

(For[Electronic/Manual/Facsimile] Signature
Mayor

Countersigned:

(For[Electronic/Manual/Facsimile] Signature
City Treasurer

(ELECTRONIC, AUTHENTIC OR FACSIMILE SEAL)

Attested and Countersigned:

(For [Electronic/Manual/Facsimile] Signature)
City Clerk

(End of Form of Bond)

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

AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST

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

Date of Registration	Name of Owner	Address of Owner	Signature of Registrar
<hr/>	State of Nevada, Treasurer, as Custodian of the Revolving Fund of the State of Nevada	State Treasurer 101 North Carson St. Suite 4 Carson City, Nevada 89701	<hr/> <hr/> <hr/>

(End of Form of Registration and Authentication Panel)

(Form of Principal Prepayment Panel)

**CITY OF RENO, NEVADA
GENERAL OBLIGATION (LIMITED TAX) SEWER BOND
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2025[A][B]**

Maximum Principal Amount of \$_____

Loan Contract No. CW #_____

PREPAYMENT PANEL

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

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

(End of Form of Principal Prepayment Panel)

(Form of Principal Advance Panel)

**CITY OF RENO, NEVADA
GENERAL OBLIGATION (LIMITED TAX) SEWER BOND
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2025[A][B]**

Maximum Principal Amount of \$_____

Loan Contract No. CW #_____

PRINCIPAL ADVANCE PANEL

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

(End of Form of Principal Advance Panel)

SECTION 25. Delivery of the Bond; Deposit of Proceeds. When the Bonds have been duly executed, the City Finance Director shall cause them to be delivered to the State upon receipt of the agreed purchase price and shall authenticate and register it in the name of the State on the Bond registration records of the Registrar and make notation of such registration on each Single Bond. The City Finance Director shall cause the proceeds of the Bonds to be deposited into a special account hereby created and designated as the "City of Reno, Nevada of its General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025A and Series 2025B, Acquisition Fund" (the "Acquisition Fund") to be held by the City. Moneys in the Acquisition Fund shall be used solely to defray wholly or in part the Cost of the Project including, without limitation, as provided in NRS 350.516, all costs of issuing the Bonds including any interim financing, all issuance costs and other costs and fees associated with the State's administration of the loan related to the Bonds which the Council hereby determines are necessary and desirable and appertain to the Project. After the Project is complete and after all expenses have been paid or adequate provision therefor is made, pursuant to NRS 350.650, any unexpended balance of Bond proceeds (or, unless otherwise required by law, any other moneys) remaining in the Acquisition Fund shall be deposited into the Bond Fund hereinafter created to be used to pay the principal of and interest on the Bonds. Subject to the provisions of this Ordinance, the City Finance Director shall use any Bond proceeds credited to the Acquisition Fund, without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys otherwise available therefor are insufficient for that purpose, unless such Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The City Finance Director shall promptly notify the Council of any such use.

SECTION 26. Use of Investment Gain. Pursuant to NRS 350.658, and except as may otherwise be required herein, any gain from any investment and any reinvestment of any proceeds of the Bonds shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Acquisition Fund to defray, in part, the Cost of the Project or, if adequate provision has been made for the Project, into the Bond Fund hereinafter created, for the respective payment of the principal of or interest on the Bonds or any combination thereof.

SECTION 27. Completion of Project . The City, with the proceeds derived from the sale of the Bonds, shall proceed to complete the Project without delay and with due diligence to the best of the City's ability, as hereinabove provided.

SECTION 28. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project, or any part thereof, or to the completion of the Project. Neither the State, nor any subsequent owner of any Bond shall in any manner be responsible for the application or disposal by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys referred to in this Ordinance.

SECTION 29. General Tax Levies. So far as possible, the Bond Requirements of the Bonds shall be paid from the Net Revenues. However, pursuant to NRS 350.596, the interest and principal falling due on the Bonds at any time when there are not on hand from the Net Revenues sufficient funds to pay the same shall be promptly paid when due from the Bond Fund or out of the General Fund of the City or out of any other funds that may be available for such purpose, including, without limitation, any proceeds of General Taxes. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available without replacement for the payment of such Bond Requirements on other than a temporary basis), and for the purpose of creating funds for the payment of the Bond Requirements, there are hereby created separate accounts designated respectively as the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues) Series 2025, Principal Account" (the "Principal Account") and the "City of Reno, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues) Series 2025, Interest Account" (the "Interest Account" and collectively with the Principal Account, the "Bond Fund"). Pursuant to NRS 350.592 and 350.594, there shall be duly levied immediately after the issuance of the Bonds and annually thereafter, until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the City, including the net proceeds of mines, fully sufficient to reimburse such fund or funds for any such amounts, if any, temporarily advanced to pay such initial installments of principal and interest, and to pay the interest on the Bonds becoming due after such initial installment, and to pay and retire the Bonds as it thereafter becomes due as hereinabove provided, after there are made due allowances for probable delinquencies. The proceeds of such annual

levies shall be duly credited to such separate accounts for the payment of such Bond Requirements. In the preparation of the annual budget or appropriation resolution or ordinance for the City, the Council shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the City, including, without limitation, the Bonds, subject to the limitation imposed by NRS 361.453 and Section 2, art. 10, Nevada Constitution, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the City.

SECTION 30. Priorities for Bonds. As provided in NRS 361.463, in any year in which the total General Taxes levied against the property in the City by all overlapping units within the boundaries of the City may exceed the limitation imposed by NRS 361.453, and it shall become necessary by reason thereof to reduce the levies made by any and all such units, the reductions so made shall be in General Taxes levied by such unit or units (including, without limitation, the City and the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The General Taxes levied for the payment of such bonded indebtedness and the interest thereon shall always enjoy a priority over General Taxes levied by each such unit (including, without limitation, the City and the State) for all other purposes where reduction is necessary in order to comply with the limitation of NRS 361.453.

SECTION 31. Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept in the Principal Account and in the Interest Account, which accounts shall be used for no other purpose than the payment of principal and interest, respectively, as the same fall due.

SECTION 32. Use of General Fund. Any sums becoming due on the Bonds at any time when there are on hand from such General Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the City, reimbursement to be made for such general funds in the amounts so advanced when the General Taxes herein provided for have been collected, pursuant to NRS 350.596.

SECTION 33. Use of Other Funds. Nothing in this Ordinance prevents the City from applying any funds (other than General Taxes) that may be available for that purpose to the payment of the Bond Requirements as the same, respectively, mature, and upon such payments,

the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 350.598.

SECTION 34. Legislative Duties. In accordance with NRS 350.592, it shall be the duty of the Council annually, at the time and in the manner provided by law for levying other General Taxes of the City, if such action shall be necessary to effectuate the provisions of this Ordinance, to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the Council shall require the officers of the City to levy, extend and collect such General Taxes in the manner provided by law for the purpose of creating funds for the payment of the principal of the Bonds and the interest thereon. Such General Taxes, when collected shall be kept for and applied only to the payment of the principal of and the interest on the Bonds as hereinbefore specified.

SECTION 35. Appropriation of General Taxes. In accordance with NRS 350.602, there is hereby specially appropriated the proceeds of such General Taxes to the payment of such principal and interest; and such appropriations will not be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and the interest on the Bonds have been wholly paid.

SECTION 36. Pledge of Revenues. Subject only to the provisions of this Ordinance and on the terms and conditions set forth herein, there are hereby additionally pledged to secure the payment of principal of and interest on the Bonds in accordance with the terms and provisions of this Ordinance, all of the Net Revenues and all moneys and securities paid or to be paid or held or to be held in any account under this Ordinance (other than the Rebate Account) are hereby pledged to secure the payment of the Bond Requirements of the Bonds. This pledge shall be valid and binding from and after the date of delivery of the Bonds, and the moneys, as received by the City and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the City payable from Net Revenues, except as herein otherwise provided. The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

SECTION 37. Revenue Fund Deposits. So long as the Bonds shall be Outstanding, as to any Bond Requirements, the entire Gross, upon their receipt from time to time by the City, shall continue to be set aside and credited immediately to the Revenue Fund.

SECTION 38. Administration of Revenue Fund. So long as the Bonds shall be Outstanding, as to any Bond Requirements, each Fiscal Year the Revenue Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in Sections 39 through 45 hereof.

SECTION 39. Operation and Maintenance Expenses. First, as a first charge on the Revenue Fund, from time to time there shall continue to be set aside in and credited to the Operation and Maintenance Fund, moneys sufficient to pay Operation and Maintenance Expenses as budgeted and approved in accordance with NRS 354.470 through 354.626, and all laws amendatory thereof, which statutory provisions are designated in NRS 354.470 as the Local Government Budget Act (the "Budget Act"), and all laws supplemental thereto, as such expenses become due and payable, and thereupon they shall be promptly paid. Any surplus remaining at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses shall be transferred to the Revenue Fund and shall be used for the purposes thereof, as herein provided.

SECTION 40. Bond Fund.

A. Second, from any moneys remaining in the Revenue Fund and concurrent with transfers to any bond funds, reserve funds and rebate funds created with respect to Superior Securities, there shall be credited to such bond funds reserve funds, and rebate funds such amounts as are required to be deposited by the ordinances authorizing the issuance of the Superior Securities.

B. Third, and subject to the aforesaid provisions, from any moneys remaining in the Revenue Fund, i.e., from the Net Revenues, and concurrently with the payments required to be made by the ordinances authorizing the issuance of Outstanding Parity Securities into the bond funds for the Outstanding Parity Securities, there shall be credited to the Bond Fund the following:

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

from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding, except to the extent any other moneys are available therefor.

(2) Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of the Bonds then Outstanding, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of the Bonds then Outstanding, except to the extent any other moneys are available therefor.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as such Bond Requirements become due.

SECTION 41. Rebate Account. Fourth, after the aforementioned deposits and from the Net Revenues, there shall be transferred and credited to a special and separate account hereby created and designated as the "City of Reno, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2025, Rebate Account" (the "Rebate Account") and to any other fund or account established for payment of amounts due the United States under Section 148(f) of the Tax Code in connection with any securities in such amounts as are required to be deposited therein to meet the City's obligations under the covenant contained in Section 58 hereof, in accordance with Section 148(f) of the Tax Code. Such deposits shall be made at such times as are required by Section 148(f) of the Tax Code and such covenant and amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Revenue Fund.

SECTION 42. Termination of Deposits. No payment need be made into the Bond Fund if the amounts in such fund total a sum at least equal to the entire amount of all of the Outstanding Bonds as to all Bond Requirements, to their respective maturities, and both accrued and not accrued, in which case moneys in those accounts in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such

investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to any such Bond Requirements as the same become due and any moneys in excess thereof in those accounts and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the Council.

SECTION 43. Defraying Delinquencies. If at any time the City shall for any reason fail to pay into the Bond Fund or the Rebate Account the full amount above stipulated from the Net Revenues, then an amount shall be paid into such fund at such time, equal to the difference between that paid from the Net Revenues and the full amount so stipulated. If securities (other than the Bonds) are Outstanding any lien to secure the payment of which on the Net Revenues is on a parity with the lien thereon of the Bonds, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a reserve account therefor, then the moneys replaced in such reserve account shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bonds, as moneys become available therefor.

SECTION 44. Payment of Additional Bonds. Subject to the provisions hereinabove, but either concurrently or subsequent to the payments required herein, any moneys remaining may be used by the City for the payment of Bond Requirements of additional bonds or other additional securities payable from the Net Revenues and hereafter authorized to be issued in accordance with this Ordinance, including reasonable reserves for such securities and amounts required to be rebated to the United States for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Net Revenues and the pledge thereof for the payment of such additional securities shall be superior to, on a parity with or subordinate to the lien and pledge of the Bonds as herein provided. Payments for principal, interest and rebate accounts for Parity Securities shall be made concurrently with such payments required for the Bonds, but payments for the principal, interest and rebate accounts for additional Subordinate Securities shall be made after such payments required for the Bonds.

SECTION 45. Use of Surplus Revenues. After the payments hereinabove required to be made by Sections 39 through 44 hereof are made, any remaining Pledged Revenues may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Operation and Maintenance Fund, to the bond funds for the Outstanding Parity Securities, the Rebate Account and to each other security fund and reserve fund, if any, for the payment of any

other securities payable from the Net Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided, for any one or any combination of lawful purposes relating to the Sewer System, or otherwise, as the Council may from time to time determine, including, without limitation, the payment of any Bond Requirements of any bonds or other securities relating to the Sewer System, general obligations or special obligations.

SECTION 46. Lien of Bonds. The Bonds authorized herein, subject to the payment of all necessary and reasonable Operation and Maintenance Expenses, constitute an irrevocable lien upon the Net Revenues, on a parity with the liens thereon securing the Outstanding Parity Securities, and subject to the liens thereon of any Superior Securities hereafter issued.

SECTION 47. Bond Equality. The Bonds and any Parity Securities heretofore or hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall be not entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any other such securities, it being the intention of the City that there shall be no priority among the Bonds and any such Parity Securities, regardless of the fact that they may be actually issued and delivered at different times.

SECTION 48. Issuance of Parity Securities.

A. Nothing herein, except as expressly hereinafter provided, shall prevent the issuance by the City of additional securities payable from Net Revenues and constituting a lien thereon superior to or on a parity with the lien thereon of the Bonds, provided, however, that the following are express conditions to the authorization and issuance of any such Parity Securities (excluding any parity refunding securities other than any securities refunding Subordinate Securities or other Subordinate Securities as permitted herein:

(1) At the time of adoption of the instrument authorizing the issuance of the additional Parity Securities, the City shall not be in default in the payment of principal of or interest on the Outstanding Superior Securities, the Bonds or any other Parity Securities.

(2) Except as hereinbelow otherwise provided, the Gross Revenues projected by the Finance Director, an Independent Accountant or an Independent Engineer derived in the later of (i) the Fiscal Year immediately following the Fiscal Year in which the facilities to be financed with the proceeds of the additional Parity Securities are projected to be completed, or

(ii) the first Fiscal Year for which no interest has been capitalized for the payment of any Outstanding Superior Securities, the Outstanding Bonds, any other Outstanding Parity Securities of the City and the Parity Securities proposed to be issued shall be at least sufficient to pay:

(a) An amount equal to the Operation and Maintenance Expenses of the Sewer System for such Fiscal Year, and

(b) An amount equal to the principal and interest requirements to be paid during that Fiscal Year of any Outstanding Superior Securities, the Outstanding Bonds, any other Outstanding Parity Securities of the City and the Parity Securities proposed to be issued (excluding any reserves therefor).

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

C. In any determination of whether or not additional Parity Securities may be issued in accordance with the foregoing earnings test, the respective annual principal (or Prepayment Price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

D. A written certificate or written opinion by the Finance Director, Independent Engineer or an Independent Accountant that the foregoing earnings test is met shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver additional Parity Securities.

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

SECTION 49. Subordinate Securities Permitted. Nothing herein prevents the City from issuing additional bonds or other additional securities payable from the Net Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

SECTION 50. Superior Securities Permitted. The City may issue additional bonds or other additional securities payable from the Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Bonds, as long as the Superior Securities are issued as special obligations and the requirements of Section 48 herein are met.

SECTION 51. Use of Additional Bond Proceeds. The proceeds of any additional bonds or other additional securities (other than any funding or refunding securities) payable from the Pledged Revenues shall be used only to pay the cost of a project, including incidental expenses, for the betterment, enlargement, extension, other improvement and equipment of the Sewer System, or any combination thereof.

SECTION 52. Issuance of Refunding Bonds.

A. At any time after the Bonds are issued and remain Outstanding, if the City shall find it desirable to refund any Outstanding Bonds or other Outstanding parity or Subordinate Securities, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior prepayment for the purpose of refunding them at the City's option upon proper call, unless the owner or owners of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Gross Revenues is changed (except as otherwise provided herein).

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

C. Any refunding bonds or other refunding securities payable from any Net Revenues shall be issued with such details as the Council may by ordinance provide, subject to the provisions of this Section but without any impairment of any contractual obligation imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

D. If only a part of the Outstanding Bonds or other outstanding securities of any issue or issues payable from the Net Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

(1) Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Prepayment Date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Net Revenues is not raised to a higher priority than the lien thereon of the Bonds or other securities thereby refunded; or

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

(3) Unless the refunding bonds or other refunding securities are issued in compliance with this Section.

SECTION 53. Operation of the Sewer System. The City shall at all times operate the Sewer System properly and in a sound and economical manner and shall maintain, preserve and keep the Sewer System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The City also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Sewer System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating water and sewer systems of like size and character.

Except for the use of the Sewer System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the Sewer System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until the Bonds has been paid in full, or unless provision has been made therefor as hereinafter provided.

SECTION 54. Payment of Taxes, Etc. The City shall pay or cause to be paid all taxes, assessments and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Utility System or any part thereof, or upon any portion of the Gross Revenues, when the same shall become due. The City shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Utility System or any part

thereof, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien or charge on the Utility System or any part thereof, or upon the Gross Revenues, except the pledge and lien created by this Ordinance for the payment of the Bonds and any Outstanding Superior Securities, Parity Securities or Subordinate Securities issued in accordance herewith, and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Utility System or any part thereof, or upon the Gross Revenues. Nothing herein contained requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

SECTION 55. No Competing Facilities. The City shall neither construct nor permit to be constructed other facilities or structures to be operated by the City separate from the Sewer System and competing for Net Revenues otherwise available for the payment of the Bonds or any other securities payable from Net Revenues; provided, however, that nothing herein contained shall impair the police powers of the City or otherwise cause the City to violate any applicable law.

SECTION 56. Rate Covenant. The City shall charge against users or against purchasers of services or commodities pertaining to the Sewer System (but not necessarily all users thereof) such fees, rates and other charges as shall be sufficient together with the proceeds from General Taxes and any other funds available therefore to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the City at least equal to the sum of:

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

B. an amount equal to the sum of the Annual Principal and Interest Requirements in such Fiscal Year on the then Outstanding Superior Securities, the Outstanding Bonds and any Outstanding Parity Securities and any amounts required to be accumulated from the Pledged Revenues into any reserves for the Bonds and such other securities; and

C. any other amounts payable from the Net Revenues and pertaining to the Sewer System, including, without limitation, debt service on any Subordinate Securities and any

other securities pertaining to the Sewer System, operation and maintenance reserves, capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

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

Subject to the foregoing, the City shall cause all fees, rates and other charges pertaining to the Sewer System to be collected as soon as reasonable and shall provide methods of collection and penalties.

SECTION 57. Records and Accounts. So long as the Bonds remain Outstanding, proper records and accounts shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Sewer System and to all moneys pertaining thereto, including, without limitation, the Gross Revenues.

SECTION 58. Tax Covenant. The City covenants for the benefit of the owner or owners of the 2025A Bond that it will not take any action or omit to take any action with respect to the 2025A Bond, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the 2025A Bond if such action or omission (i) would cause the interest on the 2025A Bond to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) would cause interest on the 2025A Bond to lose its exclusion from 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 2025A Bond until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met. The City makes no covenant with respect to taxation of interest on the 2025A Bond 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).

SECTION 59. Defeasance. When all Bond Requirements of the Bonds have been duly paid, the pledge, the lien and all obligations hereunder as to that Bond shall thereby be discharged

and the Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the City has placed in escrow or in trust with a Trust Bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from the Federal Securities in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond, or upon any Prepayment Date as of which the State Treasurer shall have consented to and the City shall have exercised or shall have obligated itself to exercise its prior prepayment option by a call of the Bonds for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and the Trust Bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to prepayment at the option of the holder thereof to assure availability as needed to meet the schedule. For the purpose of this Section "Federal Securities" shall include only Federal Securities which are not callable for prepayment prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished the Paying Agent shall mail written notice of the defeasance to the State Treasurer or any other registered owners of the Bonds at the addresses last shown on the registration records for the Bonds maintained by the Registrar.

SECTION 60. Amendments. This Ordinance may be amended or supplemented by instruments adopted by the City, without receipt by the City of any additional consideration, but with the written consent of the State Treasurer at the time of the adoption of the amendatory or supplemental instrument. No such instrument shall permit:

A. A change in the maturity or in the terms of prepayment of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon, without the consent of the State Treasurer;

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

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

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

E. The modification of, or other action which materially and prejudicially affects the rights or privileges of the State.

Whenever the City proposes to amend or modify this Ordinance under the provisions hereof, it shall cause notice of the proposed amendment to be sent electronically or otherwise sent within 30 days to the State Treasurer. The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the City Clerk for public inspection.

Whenever at any time within one year from the date of such notice there shall be filed in the office of the City Clerk an instrument or instruments executed by the State Treasurer, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument; thereupon, but not otherwise, the Council may adopt the amendatory instrument and the instrument shall become effective. Any consent given by the State Treasurer pursuant to the provisions hereof shall be irrevocable.

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

SECTION 61. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City as directed by the Finance Director shall determine to replace said Registrar or Paying Agent, the City may, upon notice sent by electronic mail or otherwise, to each Owner of the Bonds at such Owner's address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same person or institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same person or institution serve as both Registrar and Paying Agent. Any successor by merger with the Registrar and Paying Agent is

automatically appointed as Registrar and Paying Agent hereunder without any further action of the Council, as long as the successor otherwise is qualified to act as Registrar and Paying Agent pursuant to this section. Any bank, trust company or national banking association into which the Registrar and/or Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust business shall be the successor of the Registrar and/or Paying Agent under this Ordinance with the same rights, powers, duties and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 62. Delegated Powers. The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. The printing or other preparation of the Bond, electronically or otherwise including, without limitation, the execution and delivery of the principal advance panels appended to the Bonds by the City Manager or the Finance Director, as necessary;

B. The execution of such certificates, electronically or otherwise, as may be reasonably required by the State, relating, inter alia,

- (1) to the signing of the Bond,
- (2) to the tenure and identity of the officials of the City,
- (3) to the assessed valuation of the taxable property in and the indebtedness of the City,
- (4) to the rate of taxes levied against the taxable property within the City,
- (5) to the exemption of interest on the 2025A Bond from federal income taxation,
- (6) to the delivery of the Bonds and the receipt of the applicable purchase price,
- (7) to the completeness and accuracy of any information provided the State in connection with the Bonds as of the date of delivery of the Bonds, and

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

C. The completion and execution of the Loan Contract, electronically or otherwise, by the Finance Director or City Manager on behalf of the City; and

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

SECTION 63. Implied Repealer. All ordinances or resolutions, or parts thereof, in conflict with the provisions of this Ordinance are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, previously repealed, and this Ordinance shall be irrepealable until the principal of and interest on the Bonds shall be fully paid, satisfied and discharged, as provided in this Ordinance.

SECTION 64. Notice of Filing of Ordinance. When first proposed, this Ordinance shall be read to the Council by title and referred to the committee of the whole, after which an adequate number of copies of this Ordinance shall be filed with the City Clerk for public distribution. Notice of the filing shall be published once in the Reno Gazette-Journal, a newspaper published and having general circulation in the City, at least 10 days before the adoption of this Ordinance, such publication to be in substantially the following form:

(FORM OF PUBLICATION OF NOTICE OF FILING OF ORDINANCE)

BILL NO. _____
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF RENO, NEVADA OF ITS GENERAL OBLIGATION (LIMITED TAX) SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 2025A IN THE MAXIMUM PRINCIPAL AMOUNT OF \$69,599,200 AND SERIES 2025B IN THE MAXIMUM PRINCIPAL AMOUNT OF \$400,800 (PRINCIPAL FORGIVENESS) FOR THE PURPOSE OF FINANCING THE AMERICAN FLAT ADVANCED PURIFIED WATER FACILITY (APWF) SEWERAGE PROJECT FOR THE CITY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS AND OTHER DETAILS IN CONNECTION THEREWITH; AND PROVIDING OTHER MATTERS RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN, and that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance have been filed and are available for public inspection and distribution at the office of the City Clerk of the City of Reno, at the City Clerk's office in City Hall, One East First Street, 2nd Floor, Reno, Nevada, and that such Ordinance was proposed on May 21, 2025, and will be considered for adoption at a regular meeting of the City Council of the City of Reno held on June 4, 2025.

/s/ Mikki Huntsman
City Clerk

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

SECTION 65. Publication and Effective Date. This Ordinance shall be in effect on the date of publication as hereinafter provided. After this Ordinance is adopted and signed by the Mayor and attested and sealed by the Clerk, this Ordinance shall be published once by its title only, together with the names of the Council members voting for or against its passage, such publication to be made in the Reno Gazette Journal, a newspaper published and having a general circulation in the City, such publication to be in substantially the following form:

(Form of Publication of Adoption of Ordinance)

BILL NO. _____
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF RENO, NEVADA OF ITS GENERAL OBLIGATION (LIMITED TAX) SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 2025A IN THE MAXIMUM PRINCIPAL AMOUNT OF \$69,599,200 AND SERIES 2025B IN THE MAXIMUM PRINCIPAL AMOUNT OF \$400,800 (PRINCIPAL FORGIVENESS) FOR THE PURPOSE OF FINANCING THE AMERICAN FLAT ADVANCED PURIFIED WATER FACILITY (APWF) SEWERAGE PROJECT FOR THE CITY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS AND OTHER DETAILS IN CONNECTION THEREWITH; AND PROVIDING OTHER MATTERS RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN, that the above numbered and entitled Ordinance was proposed by Council member _____ on May 21, 2025, and that such Ordinance was passed at a regular meeting of the City Council on June 4, 2025, by the following vote of the City Council:

Those Voting Aye:

Those Voting Nay:

Those Absent:

This Ordinance shall be in full force and effect from and after the _____ day of _____, 2025, i.e., the day after the publication of such Ordinance by title only.

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

DATED _____, 2025.

/s/ Hillary Schieve
Mayor

/s/ Mikki Huntsman
City Clerk

(End of Form of Publication)

SECTION 66. Severability. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

PASSED, ADOPTED AND APPROVED on June 4, 2025.

Mayor

(SEAL)

Attest:

City Clerk

This Ordinance shall be in force and effect from and after the _____ day of _____, 2025, i.e., the date after the publication of such Ordinance by its title only.

STATE OF NEVADA)
) ss.
CITY OF RENO)

A. I am the duly chosen and qualified City Clerk of the City of Reno (herein "City"), Nevada, and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of a resolution passed and adopted by the City Council at a meeting held on June 4, 2025. The original of such resolution has been approved and authenticated by the signature of the Mayor and myself as Clerk, and has been recorded in the minutes of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the City Council were present at the meeting on May 21, 2025 and voted on the referral of the ordinance as follows:

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

3. The members of the City Council were present at the meeting on June 4, 2025, and voted on the passage of the ordinance as follows:

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

B. The undersigned representative of the City Manager's Office does hereby certify:

1. All members of the Council were given due and proper notice of the meetings held on May 21, 2025 and June 4, 2025.

2. Public notice of such meetings (attached hereto as Exhibits A and B) was given and such meetings were held and conducted in full compliance with the provisions of NRS 241.020.

3. At least 3 working days before such meetings, such notices were sent to each member of the Council and to each person, if any, who has requested notice of meetings of the Council in the same manner in which notice is required to be sent to a member of the Council.

IN WITNESS WHEREOF, I have hereunto set my hand on June 4, 2025.

City Clerk

IN WITNESS WHEREOF, I have hereunto set my hand on _____, 2025.

Representative City Manager's Office

EXHIBIT A
(Attach Notice of May 21, 2025 Meeting)

EXHIBIT B
(Attach Notice of June 4, 2025 Meeting)

EXHIBIT C
(Attach Affidavit of Publication of Filing Ordinance)

EXHIBIT D
(Attach Affidavit of Publication of Adoption of Ordinance)