

RESOLUTION 17-18-4

A RESOLUTION DESIGNATED AS THE “2018 SCHOOL IMPROVEMENT BOND RESOLUTION”; DECLARING THE NECESSITY OF INCURRING A BONDED INDEBTEDNESS ON BEHALF OF THE NYE COUNTY SCHOOL DISTRICT FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING SCHOOL FACILITIES; AUTHORIZING THE ISSUANCE OF THE NYE COUNTY SCHOOL DISTRICT, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SCHOOL IMPROVEMENT BONDS, SERIES 2018; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS AND FOR THEIR PAYMENT; PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; RATIFYING ACTION PREVIOUSLY TAKEN RELATING THERETO; AUTHORIZING THE CHIEF OPERATING OFFICER OR SUPERINTENDENT OF THE DISTRICT TO ACCEPT A BINDING BID FOR THE BONDS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the Nye County School District in the County of Nye and State of Nevada (the “District”, the “County”, and the “State”, respectively) was duly organized and is operating in accordance with the provisions of the Nevada Revised Statutes (“NRS”); and

WHEREAS, the Board of Trustees of the District (the “Board”) has determined and does hereby declare:

(A) Pursuant to Nevada Revised Statutes (“NRS”) 387.335 (the “Project Act”), the Board is authorized and empowered to borrow money for the purposes provided in the Bond Question defined below (the “Project”) and to evidence such borrowing by the issuance of bonds;

(B) Chapter 350, NRS in effect requires compliance with:

(i) NRS 350.011 through 350.0165, and all laws amendatory thereof (the “Bond Commission Act”),

(ii) NRS 350.020 through 350.070, and all laws amendatory thereof (the “Bond Election Act”),

(iii) NRS 350.105 through 350.195, and all laws amendatory thereof (the “Bond Sale Act”), and

(iv) NRS 350.500 through 350.720, and all laws amendatory thereof, cited in NRS 350.500 as the Local Government Securities Law (the “Bond Act”);

(C) In the judgment of the Board, the public interest, health, welfare, and safety require the Project; and

WHEREAS, the Board has submitted the following question to the qualified electors of the District at the November 7, 2006 general election and the qualified electors approved the following question at such election in accordance with subsection 4 of NRS 350.020 for authorization to issue general obligation bonds:

NYE COUNTY SCHOOL DISTRICT BOND QUESTION:

Shall Nye County School District be authorized to issue general obligation school bonds to finance the acquisition, construction, improvement and equipping of school facilities. District projections at the time the bonds are issued must indicate that issuance of the bonds will not result in an increase of the existing school bond property tax rate of 58.5 cents per \$100 of assessed value. If approved this authorization will expire November 7, 2016.

(the “Bond Question”); and

WHEREAS, pursuant to NRS 350.0201, such approval shall be deemed to constitute approval of the qualified electors for the issuance of general obligation bonds by the Board pursuant to subsection 4 of NRS 350.020 for a period of 10 years commencing on the date of the expiration of the 10-year period approved by voters in the Bond Question (i.e., from November 7, 2016 to November 7, 2026), and no other approval of the qualified electors is required for such issuance of general obligation bonds pursuant to the provisions of NRS 350.020 by the Board for that period; and

WHEREAS, pursuant to the Bond Commission Act and NRS 350.020(4), the Board heretofore submitted to the Debt Management Commission of Nye County (the “Commission”) the District’s proposal to issue general obligation bonds to finance the Project as authorized by the Bond Question and NRS 350.0201; and

WHEREAS, the Commission, pursuant to the Bond Commission Act, duly approved the issuance of the General Obligation (Limited Tax) School Improvement Bonds, Series 2018 (the “Bonds” or the “Bond”) by adoption of a resolution approving the District’s proposal to issue the Bonds; and

WHEREAS, the existing tax for debt service currently levied by the District will at least equal the amount required to pay the principal and interest on the outstanding general obligations of the District and the Bonds; and

WHEREAS, after receiving bids for the purchase of the Bonds defined and described more fully herein, the District's Chief Operating Officer, as the chief financial officer of the District (the "Chief Operating Officer"), or, in his absence, the District's Superintendent, as the chief administrative officer of the District (the "Superintendent") is hereby authorized to sell the Bonds to the best bidder therefor or such bidder's designee (the "Purchaser"), and to accept a binding bid for the Bonds; and

WHEREAS, the Bonds are to bear interest at the rate or rates per annum provided in the bond purchase proposal submitted by the Purchaser (the "Bond Purchase Proposal") and accepted by the Chief Operating Officer, or, in his absence, the Superintendent, which rate or rates must not exceed by more than 3% the Index of Twenty Bonds most recently published in The Bond Buyer prior to the time bids were received for the Bonds, and are to be sold at a price equal to the principal amount thereof, plus accrued interest to the date of delivery of the Bonds, plus a premium or less a discount not exceeding 9% of the principal amount thereof, all as specified by the Chief Operating Officer, or, in his absence, the Superintendent, of the District, in a certificate dated on or before the date of delivery of the Bonds (the "Certificate of the Chief Operating Officer"); and

WHEREAS, the Board hereby elects to have the provisions of NRS Chapter 348 apply to the Bonds; and

WHEREAS, the Board has determined and does hereby declare that each of the limitations and other conditions to the issuance of the Bonds in 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 Board that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF NYE COUNTY SCHOOL DISTRICT, NYE COUNTY, NEVADA:

Section 1. **Short Title.** This Resolution shall be known and may be cited as the "2018 School Improvement Bond Resolution" (the "Resolution").

Section 2. **Acceptance of Purchase Proposal.** The Chief Operating Officer, or, in his absence, the Superintendent, is authorized to accept the Bond Purchase Proposal submitted by

the Purchaser, by the execution of the Certificate of the Chief Operating Officer and subject to the terms and conditions specified herein.

Section 3. **Ratification.** All action heretofore taken (not inconsistent with the provisions of this Resolution) by the District, the officers of the District, and otherwise by the District directed:

A. **Project.** Toward the Project, and

B. **Bonds.** Toward the sale and delivery of the Bonds for that purpose, be, and the same hereby is, ratified, approved and confirmed, including, without limitation, the sale of the Bonds to the Purchaser.

Section 4. **Necessity of Project and Bonds.** It is necessary and in the best interests of the District, its officers and the inhabitants of the District, that the District 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 Board hereby finds that the useful life of the assets financed with the Bond is not less than the term of the Bond.

Section 5. **Authorization of Project.** The Board hereby authorizes the Project.

Section 6. **Estimated Cost of Project.** The cost of the Project is estimated not to exceed the principal amount of the Bonds, excluding any such cost defrayed or to be defrayed by any source other than the proceeds of the principal amount of the Bonds.

Section 7. **Resolution to Constitute Contract.** In consideration of the purchase and the acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall constitute a contract between the District and the registered owners from time to time of the Bonds.

Section 8. **Bonds Equally Secured.** The covenants and agreements herein set forth shall be for the equal benefit, protection and security of the registered owners of any and all of the outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction, except as otherwise expressly provided in or pursuant to this Resolution.

Section 9. **General Obligations.** All of the Bonds, as to principal and interest thereon (the “Bond Requirements”), shall constitute general obligations of the District, which hereby pledges its full faith and credit for their payment. The Bonds as to all Bond Requirements shall be payable from general (ad valorem) taxes (the “General Taxes”) as herein provided.

Section 10. **Limitations Upon Security.** The payment of the Bonds is not secured by any encumbrance, mortgage or other pledge of property of the District, except the proceeds of General Taxes and any other moneys pledged for the payment of the Bonds. No property of the District, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 11. **Authorization of Bonds.** For the purpose of defraying wholly or in part the cost of the Project, it is hereby declared necessary that the District issue, and there are hereby authorized to be issued, pursuant to the Bond Act and all laws thereunto enabling, the “Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2018” (the “Bonds”), in the aggregate principal amount to be specified in the Certificate of the Chief Operating Officer (such principal amount shall not exceed \$2,000,000).

Section 12. **Bond Details.** The Bonds shall be issued in fully registered form. The Bonds shall be issued as a single Bond. The Bond shall be dated its date of delivery to the Purchaser. The installments of principal of the Bond shall bear interest (calculated on the basis of a 360 day year consisting of twelve 30 day months) at the rate or rates per annum set forth in the Certificate of the Chief Operating Officer from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of the Bond until the principal of the Bond is paid in full, payable on May 1 and November 1 of each year commencing on November 1, 2018. The installments of principal of the Bond shall be payable on the dates and in the amounts set forth in the Certificate of the Chief Operating Officer (not to exceed 11 years from the date of the Bond).

The installments of principal and interest due on the Bond prior to the final payment thereof shall be payable to the registered owner thereof as shown on the registration records kept by the Chief Operating Officer or any successor thereto (the “Registrar” and the “Paying Agent”), as of the close of business on the day next preceding each payment date without presentation and surrender of such Bond. The final payment of principal and interest on the Bond shall be made only upon presentation and surrender of the Bond at the office of the Paying Agent, or such other office as is designated by the Paying Agent. If any installment of principal of the Bond shall not be paid when due, such installment shall continue to draw interest at the interest rate borne by such installment of principal until such installment is paid in full. The Paying Agent may make payments on the Bond by check, draft, wire or such alternative means as may be mutually agreed to between the owner of the Bond and the Paying Agent. All such payments shall be made in lawful money of the United States of America.

Section 13. **Prepayment.** The installments of principal of the Bond or any portion thereof are subject to prepayment, at the option of the District, as set forth in the Certificate of the Chief Operating Officer, upon at least 10 days written notice given to the registered owner of the Bond as shown on the registration records maintained by the Registrar.

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

Section 14. **Negotiability.** Subject to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code -- Investment Securities, and each registered owner shall possess all rights enjoyed by registered owners of negotiable instruments under the Uniform Commercial Code -- Investment Securities.

Section 15. **Registration, Transfer and Exchange of Bonds.**

A. Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall register the Bond in the name of the new registered owner on the registration panel appended to the Bond.

B. For every exchange or transfer of any Bond requested by the owner thereof, the District or the Registrar may make a sufficient charge to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of registering the Bond in the name of the new owner.

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

D. If any Bond shall be lost, stolen, destroyed, or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the District may reasonably require, and upon payment of all expenses in connection therewith, register and deliver a replacement Bond of a like principal amount and tenor. If such lost, stolen, destroyed, or mutilated Bond shall have matured, or shall have been called for redemption, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

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

Section 16. **Execution of Bonds.** The Bond shall be executed as follows:

A. **Filings with Secretary of State.** Pursuant to NRS 350.638, as amended and to the act cited as the Uniform Facsimile Signatures of Public Officials Act, cited as chapter 351 of NRS, and prior to the execution of any Bond by facsimile signature, the President and the Clerk of the Board (the “President” and the “Clerk”, respectively), and the County Treasurer shall each file with the Secretary of State of the State of Nevada his or her manual signature certified by him or her under oath.

B. **Manner of Execution.** The Bond shall be signed and executed in the name of and on behalf of the District with the manual or facsimile of the signature of the President, and shall be countersigned, subscribed, and executed with the manual or facsimile signature of the County Treasurer; shall be authenticated with the manual or facsimile impression of the official seal of the District; and the Bond shall be signed, executed, and attested with such a manual or facsimile of the signature of the Clerk.

C. **Registration.** No Bond shall be valid or obligatory for any purpose unless the registration panel appended to the Bond has been duly manually executed by the Registrar. The registration panel shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar. By signing the registration panel pursuant to this Resolution, the Registrar shall be deemed to have assented to all of the provisions of this Resolution.

Section 17. **Use of Predecessor’s Signature.** The Bond bearing the signatures of the officers in office at the time of the signing thereof shall be a valid and binding obligation of the District, notwithstanding that before the delivery thereof and payment therefor any or all of the

persons whose signatures appear thereon shall have ceased to occupy their respective offices. The President, the Clerk and the County Treasurer, at the time of the execution of a signature certificate pertaining to the Bond by each of those officers, may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon the Bond.

Section 18. **Incontestable Recital.** Pursuant to NRS 350.628, the Bonds shall contain a recital that they are issued pursuant to NRS 387.335 and the Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 19. **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 the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

Section 20. **Bond Execution.** The President, the Clerk and the County Treasurer are hereby authorized and directed to prepare and to execute the Bond as herein provided.

Section 21. **Registration.**

A. Before the Bond is delivered, it shall be registered by the Registrar.

The register shall show:

- (1) The aggregate principal amount of the Bond;
- (2) The date of payment of each installment of principal of the

Bond; and

- (3) The rate of interest which each of the installments of principal

of the Bond bears.

B. In addition, the Registrar shall maintain the registration records of the District for the Bond showing the name and address of the registered owner of the Bond.

Section 22. **Bond Delivery.** After such registration, in accordance with the terms of this Resolution, the Registrar shall cause the Bonds to be delivered to the Purchaser, upon due payment being made.

Section 23. **Bond Form.** Subject to the provisions of this Resolution, the 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 by this Resolution, or be consistent with this Resolution 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

**NYE COUNTY SCHOOL DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SCHOOL IMPROVEMENT BOND
SERIES 2018**

NO. R-1

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated As Of</u>
_____ %	May 1, _____	_____, 2018

PRINCIPAL AMOUNT:

Nye County School District in the County of Nye and the State of Nevada (the “District,” the “County,” and the “State,” respectively), for value received hereby acknowledges itself to be indebted and promises to pay to the registered owner specified on the registration panel attached hereto the principal amount set forth above in installments on the dates and in the amounts set forth in Schedule I attached hereto, and to pay interest thereon on May 1 and November 1 in each year, commencing November 1, 2018, at the interest rate per annum specified above, until the principal amount is paid or provided therefor. The unpaid installments of principal of this Bond shall bear interest from the most recent interest payment date to which interest has been paid or, if no interest has been paid, from the date of this Bond.

No presentation or surrender of this Bond is required for principal payments prior to the maturity date set forth above except for a payment of the outstanding principal amount of this Bond in full. The principal of this Bond due upon the maturity date set forth above or upon earlier payment in full is payable upon presentation and surrender hereof at the office of the District’s registrar and paying agent (the “Registrar” or the “Paying Agent”), presently the District’s Chief Operating Officer or such other office as designated by the Paying Agent. Installments of principal and interest on this Bond will be paid by the Paying Agent on each payment date (or, if such payment date is not a business day, on the next succeeding business day), by check, draft, or wire to the registered owner set forth above. If, upon presentation of this Bond at the maturity date or upon earlier payment in full, payment of this Bond is not made as herein provided, interest shall continue at the same rate specified above until the principal hereof is paid in full. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

This Bond must be registered in the name of the owner as to both principal and interest on the registration records kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Resolution. No transfer of this Bond shall be valid unless made on the registration panel appended hereto and the

registration records maintained at the office of the Registrar by the registered owner set forth above or his attorney duly authorized in writing.

The District, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for purposes of making payment and for all other purposes and neither the District nor the Registrar and the Paying Agent shall be affected by notice to the contrary.

This Bond is issued by the Board in the name of and on behalf of the District and upon the credit thereof, for the purpose of acquiring, constructing, improving and equipping school facilities, under the authority of and in full conformity with the Constitution and statutes of the State and pursuant to the Resolution duly adopted by the Board prior to the issuance of this Bond.

It is hereby certified, recited and warranted that all requirements of law have been fully complied with by the proper officers of the District in the issuance of this Bond; that the total indebtedness of the District, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of Nevada; and that provision has been made for the levy and collection of annual general (ad valorem) taxes sufficient to pay the principal and interest (the "Bond Requirements") of this Bond when the same become due (except to the extent any other funds are available therefor), subject to the limitations imposed by the Constitution and statutes of the State of Nevada.

This Bond is issued pursuant to NRS 350.500 through 350.720 and all laws amendatory thereof (designated in NRS 350.500 as the Local Government Securities Law) and NRS 387.335; and pursuant to NRS 350.628, this recital is conclusive evidence of the validity of this Bond and the regularity of its issuance; and, pursuant to NRS 350.710 of such law, this Bond, its transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

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

The full faith and credit of the District are hereby pledged for the punctual payment of the Bond Requirements of this Bond.

This Bond shall not be valid or obligatory for any purpose until an authorized officer of the Registrar shall have manually signed the registration panel appended hereto.

IN WITNESS WHEREOF, the Board of Trustees of Nye County School District in the County of Nye and State of Nevada has caused this Bond to be executed in the name and on behalf of the District with the manual or facsimile signature of the President of its Board of Trustees, and to be attested and executed by the manual or facsimile signature of the Clerk of the Board of Trustees, has caused the manual or facsimile of the corporate seal of the District to be affixed hereon, has caused this Bond to be countersigned with the manual or facsimile signature of the County Treasurer of Nye County, Nevada, all as of _____, 2018.

NYE COUNTY SCHOOL DISTRICT, NEVADA

(Manual or Facsimile Signature)
President, Board of Trustees

(SEAL)

Countersigned:

Attest:

(Manual or Facsimile Signature)
Nye County Treasurer

(Manual or Facsimile Signature)
Clerk, Board of Trustees

(End of Form of Bond)

(Form of Schedule I)

The principal of this Bond is payable in installments on the following dates and in the following amounts:

<u>Principal Payment Date</u>	<u>Principal Amount</u>
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(End of Form of Schedule I)

(Form of Prepayment Panel for Bond)

The following installments of principal (or portions thereof) of this Bond have been prepaid by Nye County School District, Nevada, in accordance with the terms of the within-mentioned Resolution.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof)</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>

(End of Form of Prepayment Panel for Bond)

(Form of Assignment for Bond)

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

Dated: _____

Signature Guarantee:

Name and address of transferee:

Social Security or other tax
identification number of
transferee:

Note: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. Signature(s) must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17Ad-15(a)(2).

(End of Form of Assignment for Bond)

Section 24. **Use of Bond Proceeds.** Upon the issuance of the Bonds, the District shall cause the proceeds of the Bonds to be applied as follows:

A. First, if needed to comply with NRS 350.020(5), an amount equal to not greater than 10 percent of the proceeds of the Bonds (to the extent not funded out of other legally available monies of the District) shall be deposited in an account heretofore created and designated as the “Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds Debt Service Reserve Account” (the “Reserve Account”) to be held within the District’s debt service fund, together with other available monies of the District, to be maintained as provided in NRS 350.020(5) in an amount at least equal to the lesser of 50% of the amount of principal and interest payments due on all of the outstanding bonds of the District in the next fiscal year or 10 percent of the outstanding principal amount of all of the outstanding bonds of the District, or such other lesser amount as the Nevada Legislature may hereafter allow (the “Minimum Reserve Amount”). Monies in the Reserve Account shall be used for payment of outstanding bonds of the District; and, when legally permissible to do so, monies in the Reserve Account in excess of the Minimum Reserve Amount may be used for the cost of capital projects permitted by NRS 387.335.

B. Second, the balance remaining after the deposits required by subsection A, as provided above, shall be set aside in a special account designated as the “Nye County School District, Nevada 2018 Acquisition Account” (the “Acquisition Account”), to be used to pay the costs of the Project, including but not limited to the costs of issuing the Bonds.

After the completion of the Project or after adequate provision therefore is made, pursuant to NRS 350.650, any unexpended balance of Bond proceeds (or, unless otherwise required by law, any other moneys) remaining in the Acquisition Account shall be deposited into the Principal Account or Interest Account hereinafter created for the payment of the principal of or interest on the Bonds as the same become due. The annual General Taxes for the payment of the interest on and principal of the Bonds and levied after the deposit into the Interest Account or the Principal Account of any such unexpended Bond proceeds, may be diminished to the extent of the availability of such deposits for the payment of such Bond interest and such Bond principal, as the case may be.

Section 25. **Use of Investment Gain.** Pursuant to NRS 350.658, any gain from any investment and any reinvestment of any proceeds of the Bonds deposited in the Acquisition Account shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Acquisition Account to defray, in part, the costs of the Project, or if adequate provision

therefore has been made, into the Principal Account or Interest Account for the respective payment of the principal of or interest on the Bonds, or any combination thereof. The annual General Taxes for the payment of the principal of or interest on the Bonds levied after such deposits of any such investment or reinvestment gain, may be diminished to the extent of the availability of such deposits for the payment of such Bond principal or interest.

Section 26. **Tax Covenant.** The District covenants for the benefit of the registered owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income from federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, except to the extent that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing corporate alternative minimum taxable income for taxable years of corporations beginning before January 1, 2018. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Code have been met.

Section 27. **Prevention of Bond Default.** Subject to the provisions of Sections 25, 30 and 33 hereof, the Treasurer shall use any Bond proceeds credited to the Acquisition Account, without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys otherwise available therefor are insufficient for that purpose, unless such Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The Treasurer shall promptly notify the Board of any such use.

Section 28. **Purchaser Not Responsible.** The validity of the Bonds shall not be dependent on or be affected by the validity or regularity of any proceedings relating to the Project. The Purchaser of the Bonds, any associate thereof, and any subsequent registered owner of any Bond shall in no manner be responsible for the application or disposal by the District or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 29. **General Tax Levies.** As authorized by NRS 350.596, any sums coming due on the Bonds at any time when there are not on hand from tax levies sufficient funds to pay the same shall promptly be paid out of the general fund of the District 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 Bonds and the interest thereon, there are hereby created separate accounts designated respectively as the “Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2018, Interest Account” (the “Interest Account”) and the “Nye County School District, Nevada, General Obligation (Limited Tax) School Improvement Bonds, Series 2018, Principal Account” (the “Principal Account”) (the Interest Account and the Principal Account are collectively referred to as the “Bond Fund”). Pursuant to NRS 350.592 and 350.594, there shall be levied in the calendar year 2018, and annually thereafter, until all of the Bond Requirements of the Bonds 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 District, including the net proceeds of mines, fully sufficient to reimburse such fund or funds for such installments of interest, to pay the interest on the Bonds, and to pay and retire the same 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 the Bond Requirements. In the preparation of the annual budget or appropriation resolution for the District, the Board 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 District, including, without limitation, the Bonds, subject to the limitation imposed by NRS 361.453 and Section 2, art. 10, State Constitution, and the amount of money necessary for this purpose shall be a first charge against all the legally available revenues received by the District.

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 District by all overlapping units within the boundaries of the District may exceed the limitation of \$3.64 on each \$100 of assessed valuation imposed by NRS 361.453, or a lesser or greater amount fixed by the State board of examiners in any fiscal year, and it shall become necessary by reason thereof to reduce the levies

made by any and all such units, the reduction so made shall be in General Taxes levied by such unit or units (including, without limitation, the District 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 District 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 herein authorized shall be kept by the Treasurer in the Bond Fund, which account 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 tax levy or levies (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the District, reimbursement to be made for such general funds in the amounts so advanced than the taxes herein provided for have been collected, pursuant to NRS 350.596.

Section 33. **Use of Other Funds.** Nothing in this Resolution prevents the District from applying any funds (other than General Taxes) that may be available for that purpose to the payment of such interest or principal as the same, respectively, mature, 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 and NRS 361.463, it shall be the duty of the Board annually, at the time and in the manner provided by law for levying other General Taxes of the District, if such action shall be necessary to effectuate the provisions of this Resolution, to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the Board shall require the officers of the County to levy, extend and collect such 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 taxes, when collected shall be kept for and applied only to the payment of the principal of and the interest on the Bonds as hereinabove 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 neither such appropriations shall 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. **Designation as Bank Qualified.** The District hereby delegates to the Chief Operating Officer, or in his absence, the Superintendent, the designation of the Bond as a qualified tax-exempt obligation for purposes of and within the meaning of Section 265(b)(3)(B) of the Tax Code.

Section 37. **Defeasance.** When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of this Resolution. There shall be deemed to be such due payment when the District has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond or upon any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment. 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 District and the trust bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purpose of this Section, the term "Federal Securities" shall be as defined in NRS 350.522 and shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the holder thereof.

Section 38. **Replacement of Registrar or Paying Agent.** If the Registrar and Paying Agent hereunder shall resign, or if the Superintendent shall reasonably determine to replace said Registrar or Paying Agent or that it would be in the best interests of the District to appoint a new Registrar or Paying Agent hereunder, the Superintendent or the Chief Operating Officer may, upon notice given to each registered owner of any Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. Every such successor Registrar or Paying Agent shall be an officer or employee of the District or a commercial bank or

trust company authorized to exercise trust powers. It shall not be required that the same person or institution serve as both a Registrar and Paying Agent hereunder, but the Board shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder. Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paying Agent under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this Resolution to the contrary notwithstanding.

Section 39. **Events of Default.** Each of the following events is hereby declared an “Event of Default” under this Resolution:

A. **Nonpayment of Principal.** Payment of any installment of principal of the Bond, shall not be made when the same shall become due and payable; or

B. **Nonpayment of Interest.** Payment of any installment of interest shall not be made when the same becomes due and payable.

Section 40. **Delegated Powers.** The officers of the District are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation:

A. The printing of the Bond.

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

(1) The signing of the Bond,

(2) The tenure and identity of the officials of the Board and of the District,

(3) The assessed valuation of the taxable property in and the indebtedness of the District,

(4) The exemption of interest on the Bond from federal income taxation,

- (5) The delivery of the Bond and the receipt of the purchase price,
- (6) If it is in accordance with the fact, the absence of litigation, pending or threatened, affecting the validity of the Bond, and
- (7) The assembly and dissemination of financial and other information concerning the District and the Bond.

C. The completion and execution of the Certificate of the Chief Operating Officer.

Section 41. **Parties Interested Herein.** Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District and the registered owners of the Bonds.

Section 42. **Police Power.** Nothing in this Resolution prohibits or otherwise limits or inhibits the reasonable exercise in the future by the State and its governmental bodies of the police powers and powers of taxation inherent in the sovereignty of the State or the exercise by the United States of the powers delegated to it by the Federal Constitution. The District cannot contract away such powers nor limit or inhibit by contract the proper exercise thereof, and this Resolution does not purport to do so.

Section 43. **Amendments.**

A. This Resolution may be amended by the Board:

- (1) Without the consent of or notice to the holders of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein; and
- (2) With the consent of the holders of the Bonds in connection with any other amendment.

B. No such amendment, unless consented to by the Bondholders adversely affected thereby, shall permit:

- (1) A change in the maturity or in the terms of redemption of the principal of any outstanding Bond or any installment of interest thereon;

(2) A reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or

(3) The establishment of priorities as between Bonds issued and outstanding under the provisions of this Resolution.

Section 43. **Resolution Irrepealable.** After any of the Bonds are issued, this Resolution shall constitute an irrevocable contract between the District and the registered owner or owners of the Bonds; and this Resolution, if any Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, as herein provided.

Section 44. **Repealer.** All other resolutions, bylaws, and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, bylaw or order, or part thereof, heretofore repealed.

Section 45. **Severability.** If any section, paragraph, clause or provision of this Resolution 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 Resolution.

Section 46. **Effective Date.** This Resolution shall be in effect from and after its adoption.

ADOPTED on this April 25, 2018.

President, Board of Trustees
Nye County School District

Attest:

Clerk, Board of Trustees
Nye County School District

STATE OF NEVADA)
)
COUNTY OF NYE) ss.
)
NYE COUNTY SCHOOL)
DISTRICT)

I am the duly chosen and qualified Clerk of Nye County School District (herein “District”), 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 of the Board of Trustees (the “Board”) adopted at a meeting held on April 25, 2018; and the original of such resolution has been approved and authenticated by the signature of the President of the Board and myself as Clerk, and has been recorded in the minute book of the Board kept for that purpose in the office of the District, which record has been duly signed by such officers and properly sealed.

2. The members of the Board were present at such meeting and voted on the passage of such resolution as follows:

Ayes: Edna Jean Forsgren
Mike Floyd
Mark Hansen
Pamela Hiler
Lawrence Small
Teresa Stoddard
Tim Sutton

Nays: _____
Absent: _____

3. All members of the Board were given due and proper notice of such meeting.
4. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting containing the time, place, location and an excerpt from the agenda for the meeting relating to the resolutions, as posted at least 3 working days in advance of the meeting on the District’s website, the State of Nevada’s official website, at the Board’s office and at:

- (i) Nye County School District Office
Tonopah, Nevada
- (ii) Nye County School District Office
Pahrump, Nevada
- (iii) Pahrump County Complex
Pahrump, Nevada
- (iv) Pahrump Town Office
Pahrump, Nevada
- (v) Pahrump Community Library
Pahrump, Nevada
- (vi) Nye County Courthouse
Pahrump, Nevada
- (vii) Tonopah Public Library
Tonopah, Nevada
- (viii) Tonopah Post Office
Tonopah, Nevada

is attached as Exhibit "A".

5. At least 3 working days before such meeting, such notice was given to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

IN WITNESS WHEREOF, I have hereunto set my hand this April 25, 2018.

Clerk

EXHIBIT A

(Attach Copy of Notice of Meeting)