

# City of Las Vegas

RECOMMENDING COMMITTEE MEETING  
CITY HALL, 400 STEWART AVENUE  
CITY MANAGER'S CONFERENCE ROOM, EIGHTH FLOOR  
CITY OF LAS VEGAS INTERNET ADDRESS: <http://www.ci.las-vegas.nv.us>  
MONDAY, MAY 5, 2003  
4:00 P.M.

RECOMMENDING COMMITTEE: COUNCILMAN WEEKLY AND COUNCILWOMAN L B. McDONALD

CALL TO ORDER

ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

THE RECOMMENDING COMMITTEE WILL RECEIVE PUBLIC INPUT ON EACH ITEM OF LEGISLATION BEING CONSIDERED. THE RECOMMENDING COMMITTEE MAY, THEREAFTER, CONTINUE THE HEARING TO A FUTURE DATE OR FORMULATE A RECOMMENDATION TO THE CITY COUNCIL FOR PASSAGE, REJECTION OR AMENDMENT OF THE PROPOSED BILL. ANY MEMBER OF THE CITY COUNCIL MAY SUBSTITUTE FOR A MEMBER OF THE RECOMMENDING COMMITTEE AT ANY TIME.

THE FOLLOWING BILLS MAY BE ELIGIBLE FOR ADOPTION AT THE 5/7/2003 CITY COUNCIL MEETING

1. Bill No. 2003-39 – Ordinance Creating Special Improvement District No 809 - Summerlin Area - Sponsored By. Step Requirement
2. Bill No 2003-40 – Levies Assessments for Special Improvement District No 809 - Summerlin Area - Sponsored By. Step Requirement
3. Bill No. 2003-43 – Authorizing the issuance of Local Improvement Bonds, Series 2003 for the City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) not to exceed \$10,000,000 - Ward 2 (L B McDonald)

THE FOLLOWING BILLS MAY BE ELIGIBLE FOR ADOPTION AT THE 5/21/2003 CITY COUNCIL MEETING

4. Bill No. 2003-41 – Levies Assessment for Special Improvement District No 1485 - Alta Drive (Landscape Maintenance FY2004) Sponsored by. Step Requirement

CITIZENS PARTICIPATION. ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISIONS OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A MATTER NOT LISTED ON THE AGENDA, PLEASE CLEARLY STATE YOUR NAME AND ADDRESS. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES.

ALL INTERESTED PERSONS ARE INVITED TO ATTEND. A tape recording of all the proceedings will be kept on file in the Office of the City Clerk until final disposition is made. Copies of the above Bills may be obtained through the Office of the City Clerk, Monday through Friday, 8:00 A.M. to 5:00 P.M.

Facilities are provided throughout City Hall for the convenience of disabled persons. Reasonable efforts will be made to assist and accommodate physically handicapped persons. If you need an accommodation to attend and participate in this meeting, please call the City Clerk's office at 229-6311 and advise of your need at least 48 hours in advance of the meeting.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Las Vegas Library, 833 Las Vegas Boulevard North  
Senior Citizens Center, 450 E. Bonanza  
Clark County Government Center, 500 S. Grand Central Parkway  
Court Clerk's Office Bulletin Board, City Hall Plaza  
City Hall Plaza, Special Outside Posting Bulletin Board

215✓





# City of Las Vegas

## **RECOMMENDING COMMITTEE AGENDA** **RECOMMENDING COMMITTEE MEETING OF: MAY 5, 2003**

- CALL TO ORDER
- ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

### **MINUTES:**

PRESENT: COUNCILMEMBERS WEEKLY and L.B. McDONALD

Also Present: DEPUTY CITY MANAGER STEVE HOUCHENS, CHIEF DEPUTY CITY ATTORNEY VAL STEED, and DEPUTY CITY CLERK GABRIELA S. PORTILLO-BRENNER

ANNOUNCEMENT MADE – meeting noticed and posted at the following locations:

Las Vegas Library, 833 Las Vegas Boulevard North

Senior Citizens Center, 450 E. Bonanza Road

Clark County Government Center, 500 S. Grand Central Pkwy

Court Clerk's Bulletin Board, City Hall

City Hall Plaza, Posting Board

(4:05)

1-1

# City of Las Vegas

## **RECOMMENDING COMMITTEE AGENDA RECOMMENDING COMMITTEE MEETING OF: MAY 5, 2003**

- CALL TO ORDER
- ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

### **MINUTES:**

PRESENT: COUNCILMEMBERS WEEKLY and L.B. McDONALD

Also Present: DEPUTY CITY MANAGER STEVE HOUCHENS, CHIEF DEPUTY CITY ATTORNEY VAL STEED, and DEPUTY CITY CLERK GABRIELA S. PORTILLO-BRENNER

ANNOUNCEMENT MADE – meeting noticed and posted at the following locations:

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(4:05)

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**AGENDA SUMMARY PAGE**  
**RECOMMENDING COMMITTEE MEETING OF: MAY 5, 2003**

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**DEPARTMENT: CITY ATTORNEY**

**DIRECTOR: BRADFORD R. JERBIC**

CONSENT

DISCUSSION

**SUBJECT:**

NEW BILL:

**Bill No. 2003-39** – Ordinance Creating Special Improvement District No. 809 - Summerlin Area  
- Sponsored By: Step Requirement

**Fiscal Impact**

No Impact

**Amount:**

Budget Funds Available

**Dept./Division:**

Augmentation Required

**Funding Source:**

**PURPOSE/BACKGROUND:**

Acquisition, construction and installation of street, sanitary sewer, storm sewer, and water main projects. Costs will be recovered over a 20 year period through the levy and collection of special assessments.

**RECOMMENDATION:**

This bill should be submitted to a Recommending Committee for review, hearing, and recommendation to the City Council for final action.

**BACKUP DOCUMENTATION:**

Bill No. 2003-39

**COMMITTEE RECOMMENDATION:**

**COUNCILWOMAN McDONALD recommended Bill 2003-39 be forwarded to the Full Council with a “Do Pass” recommendation. COUNCILMAN WEEKLY concurred.**

**MINUTES:**

COUNCILMAN WEEKLY declared the Public Hearing open.

CHIEF DEPUTY CITY ATTORNEY STEED said this matter is in order

No one appeared in opposition and there was no further discussion.

COUNCILMAN WEEKLY declared the Public Hearing closed.

(4:05 – 4:06)

**BILL NO. 2003-39**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE CREATING THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) AND ORDERING A STREET PROJECT, STORM SEWER PROJECT, SANITARY SEWER PROJECT AND WATER PROJECT WITHIN THE CITY OF LAS VEGAS, NEVADA.**

**WHEREAS**, the City of Las Vegas, Nevada (the "City") is organized and operating pursuant to the provisions of Chapter 517, Statutes of Nevada 1983, as amended, and the general laws of the State of Nevada; and

**WHEREAS**, the City Council (the "Council") of City of Las Vegas deems it necessary to create the City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) (the "District") for the purpose of acquiring and improving a street project, storm sewer project, sanitary sewer project and water project (the "Project") and to defray the entire cost and expense of the Project by special assessments, according to benefits levied against the benefited lots, tracts and parcels of land in the District; and

**WHEREAS**, pursuant to Chapter 271, Nevada Revised Statutes and all laws amendatory thereof and supplemental thereto (the "Act"), there has heretofore been presented to the Council a written petition from The Howard Hughes Corporation, a Delaware Corporation, which at the time of presentation of the petition was the owner of 100% of the property comprising the District (except for property owned by the City and except for State or other government or privately owned property on which easements will be acquired) (the "Developer"), requesting that the City initiate the acquisition and improvement of the Project, issue bonds and levy assessments and requesting that the City proceed with certain actions required by the Act; and

**WHEREAS**, the City and the Developer have entered into a contract for the acquisition and improvement of the Project which contains the terms and conditions required by NRS 271.710 and 271.720; and

**WHEREAS**, by a resolution passed and approved on April 16, 2003, the Council declared its determination that the public convenience and necessity require the creation of the District and that the creation of the District is economically sound and feasible; and

**WHEREAS**, the Council and the officers of the City have done or caused to be done all things necessary and preliminary to the creation of the District, including but not necessarily limited to the filing by the City Engineer or an engineer on the City staff designated

by the City Engineer (the "Engineer"), with the City Clerk on or before April 16, 2003 of an accurate estimate of cost, full and detailed plans and specifications, an assessment plat and map and an assessment roll, and the Council now desires to authorize the Project by this ordinance.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAS VEGAS, IN THE STATE OF NEVADA, DOES ORDAIN:**

Section 1. There shall be, and hereby is, created in the City an improvement district designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area)" for the purpose of acquiring and improving the Project as more particularly described below.

Section 2. The Project, which is hereby ordered to be acquired and improved, shall be located within the boundaries of the District and shall be as shown on the full and detailed plans and specifications for the District filed with the City Clerk on or before April 16, 2003. The kind and location of the Project (without mentioning minor details) is as follows:

The Project consists of the construction and acquisition of certain improvements within the District, to include streets, sanitary sewers, storm sewers, and water mains in and along the property described in Section 3 of this Ordinance, and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, to wit:

"Rough Grade and Improvements" mean the cost of rough grade for the full width of future roadway improvements including rough grade of landscape area to the developer property line and required miscellaneous demolition of existing improvements. This cost also includes the cost of on-site waterlines, sewer, and storm drain associated with a roadway segment and all appurtenances (hydrants, sleeves, irrigation meters, manholes, services main extensions to the property line, inlets, and Reinforced Concrete Pipe (RCP) and box culverts, and so forth) as well as subgrade preparation, paving, curbs for the roadway, and striping/signage. These improvements include the extension of water, sewer, storm drain and other public service main extensions for each project to the developer property line (5-feet beyond).

"Street Lights" mean street lights, trenching, conduit, pullboxes, service points, transformers, and so forth, for street lights and street light installation for a particular road segment. These improvements also include, where applicable, costs for future traffic signal poles when installed for use as the street light pole at applicable intersections, including associated conduit and pull boxes.

“Final Paving” means the final paving of road segment, including final striping and valve/manhole and signage adjustments.

***Project 1A Charleston Blvd:***

***Desert Foothills Drive to Bridge at  
Red Rock Detention Basin  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Charleston Boulevard (half street) for the 2,800-foot roadway segment between Desert Foothills Drive and the bridge at Red Rock Detention Basin. The mainline Sewer and Storm Drain are 100% reimbursable by the SID, where Water and Storm Drain Drop Inlets are only 50% reimbursable. The project has an estimated construction cost of \$1,082,300.00 with an SID eligible cost of \$1,244,645.00.

***Project 1B Charleston Blvd:***

***Desert Foothills Drive to Bridge at  
Red Rock Detention Basin  
Street Lights***

This project consists of street lights on the north side of Charleston Boulevard from Desert Foothills Drive to the Bridge at Red Rock Detention Basin. The project has an estimated construction cost of \$142,600.00 with an SID eligible cost of \$163,990.00

***Project 1C Charleston Blvd:***

***Desert Foothills Dr. to Bridge at  
Red Rock Detention Basin  
Final Paving***

This project consists of the final lift of pavement for the half width of north side Charleston Boulevard from Desert Foothills Drive to the Bridge at Red Rock Detention Basin. The project has an estimated construction cost of \$51,500.00 with an SID eligible cost of \$59,225.00.

***Project 2A Desert Sunrise Road:***

***Desert Foothills Dr. to Desert  
Moon Road  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Desert Sunrise Road for the 3,570-foot roadway segment between Desert Foothills Drive and the Desert Moon Road. The project has an estimated construction cost of \$1,745,200.00 with an SID eligible cost of \$2,006,980.00.

***Project 2B Desert Sunrise Road:***

***Desert Foothills Drive to Desert  
Moon Road***

***Street Lights***

This project consists of street lights on Desert Sunrise Road from Desert Foothills Drive to Desert Moon Road. The project has an estimated construction cost of \$129,600.00 with an SID eligible cost of \$149,040.00.

***Project 3A Paseo Flower Court:                      Rough Grade and Improvements***

This project consists of rough grading and improvements to Paseo Flower Court for the 685-foot roadway segment from Desert Sunrise Road to Cul-de-Sac end. The project has an estimated construction cost of \$126,100.00 with an SID eligible cost of \$145,015.00.

***Project 3B Paseo Flower Court:                      Street Lights***

This project consists of street lights on Paseo Flower Court. The project has an estimated construction cost of \$31,500.00 with an SID eligible cost of \$36,225.00.

***Project 4A Desert Moon Road:                      Desert Sunrise Road to Unit 1  
Boundary  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Desert Moon Road for the 3,370-foot roadway segment between Desert Sunrise Road and Unit 1 Boundary. The project has an estimated construction cost of \$859,300.00 with an SID eligible cost of \$988,195.00

***Project 4B Desert Moon Road:                      Desert Sunrise Road to Unit 1  
Boundary  
Street Lights***

This project consists of street lights on Desert Moon Road from Desert Sunrise Road to Unit 1 Boundary. The project has an estimated construction cost of \$113,000.00 with an SID eligible cost of \$129,950.00.

***Project 5A Paseo Mist Drive:                      Desert Foothills Drive to Desert  
Moon Road  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Paseo Mist Drive for the 1,050-foot roadway segment between Desert Foothills Drive and Desert Moon Road. The project has an estimated construction cost of \$376,100.00 with an SID eligible cost of \$432,515.00.

***Project 5B Paseo Mist Drive:                      Desert Foothills Drive to Desert  
Moon Road***

***Street Lights***

This project consists of street lights on Paseo Mist Drive from Desert Foothills Drive to Desert Moon Road. The project has an estimated construction cost of \$36,200.00 with an SID eligible cost of \$41,630.00.

***Project 6A Desert Moon Road: Collector Road to Desert Sunrise Road  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Desert Moon Road for the 1,186-foot roadway segment between Collector Road and Desert Sunrise Road. The project has an estimated construction cost of \$389,100.00 with an SID eligible cost of \$447,465.00.

***Project 6B Desert Moon Road: Collector Road to Desert Sunrise Road  
Street Lights***

This project consists of street lights on Desert Moon Road from Collector Road to Desert Sunrise Road. The project has an estimated construction cost of \$49,400.00 with an SID eligible cost of \$56,810.00.

***Project 7A Fox Hill Drive: Desert Moon Road to Unit 1 Boundary  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Fox Hill Drive for the 677-foot roadway segment between Desert Moon Road and Unit 1 Boundary. The project has an estimated construction cost of \$176,400.00 with an SID eligible cost of \$202,860.00.

***Project 7B Fox Hill Drive: Desert Moon Road to Unit 1 Boundary  
Street Lights***

This project consists of street lights on Fox Hill Drive from Desert Moon Road to Unit 1 Boundary. The project has an estimated construction cost of \$20,200.00 with an SID eligible cost of \$23,230.00.

***Project 8A Alta Drive: Desert Foothills Drive to Fox Hill Drive  
Rough Grade and Improvements***

This project consists of rough grading and improvements to the south half of Alta Drive for the 2,668-foot roadway segment between Desert Foothills Drive and Fox Hill Drive. The project has an estimated construction cost of \$830,100.00 with an SID eligible cost of \$954,615.00.

***Project 8B Alta Drive:*** ***Desert Foothills Drive to Fox Hill Drive***  
***Street Lights***

This project consists of street lights on the south half of Alta Drive from Desert Foothills Drive to Fox Hill Drive. The project has an estimated construction cost of \$90,700.00 with an SID eligible cost of \$104,305.00.

***Project 8C Alta Drive:*** ***Desert Foothills Drive to Fox Hill Drive***  
***Final Paving***

This project consists of the final lift of pavement for the south half of Alta Drive from Desert Foothills Drive to Fox Hill Drive. The project has an estimated construction cost of \$50,200.00 with an SID eligible cost of \$57,730.00.

***Project 9A Paseo Breeze Drive:*** ***Fox Hill Drive to Unit 1 Boundary***  
***Rough Grade and Improvements***

This project consists of rough grading and improvements to Paseo Breeze Drive for the 1,280-foot roadway segment between Fox Hill Drive and Unit 1 Boundary. The project has an estimated construction cost of \$302,400.00 with an SID eligible cost of \$347,760.00.

***Project 9B Paseo Breeze Drive:*** ***Fox Hill Drive to Unit 1 Boundary***  
***Street Lights***

This project consists of street lights on Paseo Breeze Drive from Fox Hill Drive to Unit 1 Boundary. The project has an estimated construction cost of \$65,100.00 with an SID eligible cost of \$74,865.00.

***Project 10A Fox Hill Drive:*** ***Unit 1 Boundary to Alta Drive***  
***Rough Grade and Improvements***

This project consists of rough grading and improvements to Fox Hill Drive for the 2,007-foot roadway segment between Unit 1 Boundary and Alta Drive. The project has an estimated construction cost of \$706,100.00 with an SID eligible cost of \$812,015.00.

***Project 10B Fox Hill Drive:*** ***Unit 1 Boundary to Alta Drive***  
***Street Lights***

This project consists of street lights on Fox Hill Drive from Unit 1 Boundary to Alta Drive. The project has an estimated construction cost of \$84,400.00 with an SID eligible cost of \$97,060.00.

***Project 11A Alta Drive:***

***Fox Hill Drive to Collector Road  
Rough Grade and Improvements***

This project consists of rough grading and improvements to the south half of Alta Drive for the 1,292-foot roadway segment between Fox Hill Drive and Collector Road. The project has an estimated construction cost of \$386,000.00 with an SID eligible cost of \$443,900.00.

***Project 11B Alta Drive:***

***Fox Hill Drive to Collector Road  
Street Lights***

This project consists of street lights on the south half of Alta Drive from Fox Hill Drive to Collector Road. The project has an estimated construction cost of \$115,300.00 with an SID eligible cost of \$132,595.00.

***Project 11C Alta Drive:***

***Fox Hill Drive to Collector Road  
Final Paving***

This project consists of the final lift of pavement for the south half of Alta Drive from Fox Hill Drive to Collector Road. The project has an estimated construction cost of \$41,700.00 with an SID eligible cost of \$47,955.00.

***Project 12A Collector Road:***

***Charleston Blvd. To Desert Moon  
Road  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Collector Road (half street) for the 2,110-foot roadway segment between Charleston Boulevard and Desert Moon Road. The project has an estimated construction cost of \$469,400.00 with an SID eligible cost of \$539,810.00.

***Project 12B Collector Road:***

***Charleston Blvd. To Desert Moon  
Road  
Street Lights***

This project consists of street lights on Collector Road (half street) from Charleston Blvd. to Desert Moon Road. The project has an estimated construction cost of \$102,700.00 with an SID eligible cost of \$118,105.00.

***Project 12C Collector Road:***

***Charleston Blvd. To Desert Moon Road***

***Final Paving***

This project consists of the final lift of pavement on Collector Road (half street) from Charleston Blvd. to Desert Moon Road. The project has an estimated construction cost of \$38,200.00 with an SID eligible cost of \$43,930.00.

***Project 13A Collector Road:***

***Desert Moon Road and Alta Drive  
Rough Grade and Improvements***

This project consists of rough grading and improvements to Collector Road (half street) for the 3,192-foot roadway segment between Desert Moon Road and Alta Drive. The project has an estimated construction cost of \$873,100.00 with an SID eligible cost of \$1,004,065.00.

***Project 13B Collector Road:***

***Desert Moon Road and Alta Drive  
Street Lights***

This project consists of street lights on Collector Road (half street) from Desert Moon Road to Alta Drive. The project has an estimated construction cost of \$154,400.00 with an SID eligible cost of \$177,560.00.

***Project 13C Collector Road:***

***Desert Moon Road and Alta Drive  
Final Paving***

This project consists of the final lift of pavement on Collector Road (half street) from Desert Moon Road to Alta Drive. The project has an estimated construction cost of \$46,600.00, with an SID eligible cost of \$53,590.00.

***Project 14 Parcels "A," "D," "I," "M" and "ES-1" Interconnects***

This project consists of 1,074±-feet of 8" Sewer Main; 2,420±-feet of 24" to 42" diameter Reinforced Concrete Drain Pipe and 540±-feet of 8" Water Main. The project has an estimated construction cost of \$501,300.00 with an SID eligible cost of \$576,495.00.

***Project 15 3550 Zone Waterline:***

This project consists of 3,150± feet of 24" diameter water pipeline, including required valves, air vacs, blow offs, 12" (or other smaller sizes) connections with gate valves, fire hydrants and other appurtenances related to this public waterline within the Collector Road from Desert Moon Road to Alta Drive. The project has an estimated construction cost of \$127,000.00 with an SID eligible cost of \$146,050.00.

***Project 16 3550 Zone Waterline:***

This project consists of 1,240± feet of 24” diameter water pipeline, including required valves, air vacs, blow offs, 12” (or other smaller sizes) connections with gate valves, fire hydrants and other appurtenances related to this public waterline within Alta Drive from Collector Road to Fox Hill Drive. The project has an estimated construction cost of \$68,900.00 with an SID eligible cost of \$79,235.00.

***Project 17 3550 Zone Waterline:***

This project consists of 6,260± feet of 24” diameter water pipeline, including required valves, air vacs, blow offs, 12” (or other smaller sizes) connections with gate valves, fire hydrants and other appurtenances related to this public waterline within Fox Hill Drive from Alta Drive to Loop “B” Road, and then within Loop “B” Road from Fox Hill Drive to Link Road and then within Link Road from Loop “B” Road to Reservoir 3435. The project has an estimated construction cost of \$252,400.00 with an SID eligible cost of \$290,260.00.

***Project 18 3665 Zone Waterline:***

This project consists of 2,700± feet of 48” and 420± feet of 36” diameter water pipeline, including required valves, vault structures, air vacs, blow offs, 12” (or other smaller sizes) connections with gate valves, fire hydrants and other appurtenances related to this public waterline within Far Hills Avenue (half street) between 3435 Reservoir and Fox Hill Drive. The project has an estimated construction cost of \$254,900.00 with an SID eligible cost of \$293,135.00.

***Project 19 3665 Zone Waterline:***

This project consists of 1,260± feet of 30” and 4,230± feet of 36” diameter water pipeline, including required valves, vault structures, air vacs, blow offs, 12” (or other smaller sizes) connections with gate valves, fire hydrants and other appurtenances related to this public waterline. The 36” diameter main runs within Fox Hill Drive from Far Hills Avenue to Loop “B” Road and then continues along Loop “B” Road from Fox Hill Drive to Collector Road and then runs along Collector Road from Loop “B” Road to Parcel BB and CC property boundary. The waterline then reduces to a 30” diameter main and continues to run in the Collector Road to Alta Drive. The project has an estimated construction cost of \$312,200.00 with an SID eligible cost of \$359,030.00.

Section 3. The extent of the District, i.e., a description of the land comprising the District including the parcels to be assessed is described as follows:

VILLAGE 23A LEGAL

THAT PORTION OF PARCEL 1 AS SHOWN BY MAP THEREOF ON FILE IN FILE 91, PAGE 28 OF PARCEL MAPS IN THE CLARK COUNTY RECORDERS OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTION 34, TOWNSHIP 20 SOUTH, RANGE 59 EAST, AND SECTION 3, TOWNSHIP 21 SOUTH, RANGE 59 EAST, CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 34;

THENCE ALONG THE SOUTH LINE OF SAID SECTION 34,  
NORTH 89°52'23" WEST, 529.16 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID SOUTH LINE OF SECTION 34,  
NORTH 89°52'23" WEST, 1460.82 FEET;

THENCE DEPARTING SAID SOUTH LINE OF SECTION 34, FROM A TANGENT BEARING SOUTH 89°48'28" WEST, CURVING TO THE LEFT ALONG THE ARC OF A 1511.64 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 47°54'27", AN ARC LENGTH OF 1263.95 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 48°05'59" WEST;

THENCE SOUTH 42°19'11" WEST, 243.81 FEET;

THENCE NORTH 64°15'14" WEST, 63.80 FEET TO AN INTERSECTION WITH THE NORTHERLY RIGHT-OF-WAY LINE OF CHARLESTON BOULEVARD AS DEDICATED TO NEVADA DEPARTMENT OF TRANSPORTATION BY INSTRUMENT RECORDED JUNE 06, 1988 IN BOOK 880606 AS INSTRUMENT NO. 00481 OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF CHARLESTON BOULEVARD, NORTH 41°49'58" EAST, 256.04 FEET;

THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE OF CHARLESTON BOULEVARD (OR:880606:00481), NORTH 53°04'23" WEST, 343.06 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 4420.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 42°26'08", AN ARC LENGTH OF 3273.63 FEET;

THENCE NORTH 10°38'15" WEST, 1619.46 FEET TO A POINT HERENAFTER REFERRED TO AS POINT "A";

THENCE NORTH 84°21'45" EAST, 486.07 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 2500.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 12°56'40", AN ARC LENGTH OF 564.81 FEET;

THENCE SOUTH 82°41'35" EAST, 450.15 FEET;

THENCE CURVING TO THE LEFT ALONG THE ARC OF A 2160.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE OF 26°03'05", AN ARC LENGTH OF 982.11 FEET;

THENCE NORTH 71°15'20" EAST, 219.22 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 6000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 04°20'20", AN ARC LENGTH OF 454.37 FEET;

THENCE NORTH 75°35'40" EAST, 805.93 FEET;

THENCE FROM A TANGENT BEARING SOUTH 09°04'41" EAST, CURVING TO THE LEFT ALONG THE ARC OF A 3750.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 09°22'19", AN ARC LENGTH OF 613.39 FEET;

THENCE SOUTH 18°27'00" EAST, 2003.70 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 3500.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 15°46'02", AN ARC LENGTH OF 963.16 FEET;

THENCE SOUTH 02°40'58" EAST, 1024.32 FEET TO AN INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF THE AFOREMENTIONED CHARLESTON BOULEVARD (OR:880606:00481);

THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE OF CHARLESTON BOULEVARD, CONTINUING SOUTH 02°40'58" EAST, 71.57 FEET TO THE POINT OF BEGINNING.

CONTAINING 393.84 ACRES.

VILLAGE 23B OFFSITE LEGAL

THAT PORTION OF PARCEL 1 AS SHOWN BY MAP THEREOF ON FILE IN FILE 91, PAGE 28 OF PARCEL MAPS IN THE CLARK COUNTY RECORDERS OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTIONS 27, 28, AND 34, TOWNSHIP 20 SOUTH, RANGE 59 EAST, CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE AFOREMENTIONED POINT "A";

THENCE NORTH 10°38'15" WEST, 384.08 FEET TO A POINT  
HEREINAFTER REFERRED TO AS POINT "B";

THENCE CONTINUING NORTH 10°38'15" WEST, 2160.45 FEET;

THENCE CURVING TO THE LEFT ALONG THE ARC OF A 2500.00 FOOT  
RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL  
ANGLE OF 25°31'45", AN ARC LENGTH OF 1113.92 FEET;

THENCE NORTH 36°10'00" WEST, 845.67 FEET;

THENCE NORTH 53°50'00" EAST, 38.00 FEET;

THENCE FROM A TANGENT BEARING SOUTH 36°10'00" EAST,  
CURVING TO THE LEFT ALONG THE ARC OF A 30.00 FOOT RADIUS  
CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE  
OF 85°00'00", AN ARC LENGTH OF 44.51 FEET;

THENCE NORTH 58°50'00" EAST, 286.06 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 2438.00 FOOT  
RADIUS CURVE, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL  
ANGLE OF 25°40'00", AN ARC LENGTH OF 1092.15 FEET;

THENCE NORTH 84°30'00" EAST, 970.42 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 2038.00 FOOT  
RADIUS CURVE, CONCAVE SOUTHERLY, THROUGH A CENTRAL  
ANGLE OF 15°59'42", AN ARC LENGTH OF 568.94 FEET;

THENCE SOUTH 79°30'18" EAST, 2355.94 FEET;

THENCE SOUTH 80°46'42" EAST, 435.11 FEET;

THENCE SOUTH 79°30'18" EAST, 339.33 FEET;

THENCE SOUTH 12°29'42" WEST, 647.86 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 3000.00 FOOT  
RADIUS CURVE, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL  
ANGLE OF 03°48'48", AN ARC LENGTH OF 199.67 FEET;

THENCE SOUTH 16°18'30" WEST, 1310.50 FEET;

THENCE CURVING TO THE LEFT ALONG THE ARC OF A 3750.00 FOOT  
RADIUS CURVE, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE  
OF 25°23'11", AN ARC LENGTH OF 1661.54 FEET TO A POINT TO WHICH  
A RADIAL LINE BEARS SOUTH 80°55'19" WEST;

THENCE SOUTH 75°35'40" WEST, 805.93 FEET;

THENCE CURVING TO THE LEFT ALONG THE ARC OF A 6000.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 04°20'20", AN ARC LENGTH OF 454.37 FEET;

THENCE SOUTH 71°15'20" WEST, 219.22 FEET;

THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 2160.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE OF 26°03'05", AN ARC LENGTH OF 982.11 FEET;

THENCE NORTH 82°41'35" WEST, 450.15 FEET;

THENCE CURVING TO THE LEFT ALONG THE ARC OF A 2500.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY, THROUGH A CENTRAL ANGLE OF 12°56'40", AN ARC LENGTH OF 564.81 FEET;

THENCE SOUTH 84°21'45" WEST, 486.07 FEET TO THE POINT OF BEGINNING.

CONTAINING 478.93 ACRES.

Section 4. The District shall constitute one construction unit with one construction contract.

Section 5. All of the costs of the Project will be defrayed by assessments. The assessments, levied in the amount not to exceed \$10,000,000 shall be payable in forty semiannual substantially level installments of principal and interest until paid in full, both principal and interest on such assessments being payable semiannually at the office of the City Treasurer on April 1 and October 1 in each year, commencing on October 1, 2003. The assessments will be levied on an area basis.

Section 6. All actions, proceedings, matters and things heretofore taken, had and done by the Council and the officers of the City (not inconsistent with the provisions of this Ordinance), concerning the District, including but not limited to the performing of all prerequisites to the creation of the District, the entering into of a Development and Financing Agreement with the Developer (the "Financing Agreement"), the acquisition and improvement of the Project, the determination of the specially benefited property therein, and the levy of assessments for that purpose is ratified, approved and confirmed.

Section 7. The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing, the preparation of all necessary documents, legal

proceedings and other items necessary or desirable for the completion of the levying of the assessments for the District and the issuance of the bonds for the Project.

Section 8. Immediately upon the final adoption of this Ordinance, the Council shall, and hereby directs the City Clerk to, file in office of the County Recorder of Clark County, Nevada a certified copy of the list of the tracts to be assessed and the amount of maximum benefits estimated to be assessed against each lot, tract and parcel of land in the District, as shown on the final assessment plat and map. Notwithstanding the foregoing, neither the failure to record such list nor any defect or omission in such list regarding any lot, tract or parcel of land to be included in the District shall affect the validity of any assessment, the lien for the payment thereof or the priority of that lien.

Section 9. If bonds are issued for the Project, the Engineer of the City is hereby authorized to approve all requests for payment by the City for the acquisition of each subproject described in the Financing Agreement, subject to and in accordance with the applicable provisions of the Financing Agreement. Upon such approval, the City Treasurer is hereby authorized to make such payments to the Developer, without the necessity of any further authorization or approval by the Council.

Section 10. All ordinances, resolutions, bylaws and orders, 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, resolution, bylaw or order, or part thereof, heretofore repealed.

Section 11. When first proposed, this Ordinance must be read to the Council by title, after which an adequate number of copies of this Ordinance must be deposited with the City Clerk for public examination and distribution. Notice of the deposit must be published once in a newspaper published and having general circulation in the City at least ten (10) days before the adoption of the Ordinance, such publication to be in substantially the following form:

(FORM OF PUBLICATION OF NOTICE OF DEPOSIT OF AN ORDINANCE)

**BILL NO.** \_\_\_\_\_

**ORDINANCE NO.** \_\_\_\_\_

**AN ORDINANCE CREATING THE CITY OF LAS VEGAS, NEVADA  
SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA)  
AND ORDERING A STREET PROJECT, STORM SEWER PROJECT,  
SANITARY SEWER PROJECT AND WATER PROJECT WITHIN THE  
CITY OF LAS VEGAS, NEVADA.**

PUBLIC NOTICE IS HEREBY GIVEN, and that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance are available for public inspection and distribution at the office of the City Clerk of the City of Las Vegas, at her office in City Hall, 400 Stewart Avenue, Las Vegas, Nevada, and that such Ordinance was proposed on April 16, 2003, and will be considered for adoption at a regular meeting of the City Council of the City of Las Vegas held on May 7, 2003.

/s/ Barbara Jo Ronemus  
City Clerk

(End of Form of Publication of Notice of Deposit of An Ordinance)

Section 12. After this Ordinance is 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 Las Vegas Review-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)

ORDINANCE NO. \_\_\_\_\_

(of Las Vegas, Nevada)

**AN ORDINANCE CREATING THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) AND ORDERING A STREET PROJECT, STORM SEWER PROJECT, SANITARY SEWER PROJECT AND WATER PROJECT WITHIN THE CITY OF LAS VEGAS, NEVADA.**

PUBLIC NOTICE IS HEREBY GIVEN, and that such Ordinance was proposed on April 16, 2003, and was passed at the meeting held on May 7, 2003, by the following vote of the City Council:

Those Voting Aye:	Oscar B. Goodman
	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

Those Voting Nay: \_\_\_\_\_

Those Absent: \_\_\_\_\_

This Ordinance shall be in full force and effect from and after May 11, 2003, i.e., the day after the publication of such Ordinance by its title only.

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

DATED this \_\_\_\_ day of May, 2003.

/s/ Oscar B. Goodman  
Oscar B. Goodman, Mayor

Attest:

/s/ Barbara Jo Ronemus  
Barbara Jo Ronemus, City Clerk

(End of Form of Publication)

Section 13. If any section, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Proposed on April 16, 2003.

Proposed by Council member \_\_\_\_\_.

Vote:

Those Voting Aye:

Oscar B. Goodman  
Gary Reese  
Michael J. McDonald  
Larry Brown  
Lynette Boggs McDonald  
Lawrence Weekly  
Michael Mack

Those Voting Nay: \_\_\_\_\_

Those Absent: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Barbara Jo Ronemus, City Clerk

\_\_\_\_\_  
Oscar B. Goodman, Mayor

This Ordinance shall be in force and effect from and after May 11, 2003, i.e., the date after the publication of such Ordinance by its title only.

APPROVED AS TO FORM:

*Madeline J. DiPietro-DiCiccio* 4-2-'03  
DATE

STATE OF NEVADA )  
COUNTY OF CLARK ) SS.  
CITY OF LAS VEGAS )

I, Barbara Jo Ronemus, the duly chosen and qualified City Clerk of Las Vegas (the "City"), in the State of Nevada, do hereby certify:

The foregoing pages constitute a true, correct, complete and compared copy of an ordinance which was introduced at the meeting of the Council on April 16, 2003 and finally adopted and approved on May 7, 2003.

The following members of the Council were present at the April 16, 2003 Council meeting:

Mayor:	Oscar B. Goodman
Council members:	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

The foregoing Ordinance was first proposed and read by title to the City Council on April 16, 2003, and referred to a committee composed of the \_\_\_\_\_ for recommendation; thereafter the said committee reported favorably on said Ordinance on May 7, 2003, which was a regular meeting of said Council; that at said regular meeting, the proposed Ordinance was again read by title to the City Council and adopted. The members of the City Council were present at the May 7, 2003 meeting and voted upon the adoption of the Ordinance as follows:

Those Voting Aye:	Oscar B. Goodman
	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

Those Voting Nay:	_____
Those Absent:	_____

The original of the Ordinance has been approved and authenticated by the signatures of the Mayor of the City and myself as Clerk of the City, and sealed with the seal of the City, and has been recorded in the journal of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

All members of the Council were given due and proper notice of the meetings held on April 16, 2003 and May 7, 2003. Pursuant to § 241.020, Nevada Revised Statutes, written notice of the meetings was given no later than 9:00 a.m. on the third working day before the meetings including in the notice the time, place, location, and agenda of the meeting:

By posting a copy of the notice by 9:00 a.m. at least three working days before the meetings at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the Council, to wit:

- (i) Court Clerk's Office Bulletin Board  
City Hall Plaza  
Las Vegas, Nevada
- (ii) City Hall  
City Hall Plaza  
Special Outside Posting Bulletin Board  
Las Vegas, Nevada
- (iii) Senior Citizens Center  
Las Vegas, Nevada
- (iv) Clark County Government Center  
500 South Grand Central Parkway  
Las Vegas, Nevada
- (v) Downtown Transportation Center  
Las Vegas, Nevada

; and

By mailing a copy of the notice by 9:00 a.m. no later than three working days before the meetings to each person, if any, who has requested notice of the meetings of the Council in the same manner in which notice is required to be mailed to a member of the Council.

A copy of such notice so given of the meeting of the Council on April 16, 2003 is attached to this certificate as Exhibit A and a copy of the notice so given of the meeting of the Council on May 7, 2003 is attached to this certificate as Exhibit B.

Upon request, the governing body provides, at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the members of the governing body for an item on the agenda, except for certain confidential materials and materials pertaining to the closed meetings, as provided by law.

**IN WITNESS WHEREOF**, I have hereunto set my hand on May \_\_, 2003.

---

Barbara Jo Ronemus, City Clerk

(SEAL)

EXHIBIT A

(Notice of the April 16, 2003 City Council Meeting)

**EXHIBIT B**

(Notice of the May 7, 2003 City Council Meeting)

**EXHIBIT C**

**(Attach Affidavits of Publication of Notice of Deposit of the Ordinance)**

**EXHIBIT D**

**(Attach Affidavit of Publication of Adoption of Ordinance)**

**AGENDA SUMMARY PAGE**  
**RECOMMENDING COMMITTEE MEETING OF: MAY 5, 2003**

**DEPARTMENT: CITY ATTORNEY**

**DIRECTOR: BRADFORD R. JERBIC**

**CONSENT**

**DISCUSSION**

**SUBJECT:**

**NEW BILL:**

**Bill No. 2003-40** – Levies Assessments for Special Improvement District No. 809 - Summerlin Area - Sponsored By: Step Requirement

**Fiscal Impact**

**No Impact**

**Amount:**

**Budget Funds Available**

**Dept./Division:**

**Augmentation Required**

**Funding Source:**

**PURPOSE/BACKGROUND:**

Acquisition, construction and installation of street, sanitary sewer, storm sewer, and water main projects. Costs will be recovered over a 20 year period through the levy and collection of special assessments.

**RECOMMENDATION:**

This bill should be submitted to a Recommending Committee for review, hearing, and recommendation to the City Council for final action.

**BACKUP DOCUMENTATION:**

Bill No. 2003-40

**COMMITTEE RECOMMENDATION:**

**COUNCILWOMAN McDONALD recommended Bill 2003-40 be forwarded to the Full Council with a "Do Pass" recommendation. COUNCILMAN WEEKLY concurred.**

**MINUTES:**

COUNCILMAN WEEKLY declared the Public Hearing open.

CHIEF DEPUTY CITY ATTORNEY STEED said this matter is in order

No one appeared in opposition and there was no further discussion.

COUNCILMAN WEEKLY declared the Public Hearing closed.

(4:06)

1-21

**BILL NO. 2003-40**

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE CONCERNING THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA); PROVIDING FOR THE PAYMENT OF THE COSTS AND EXPENSES OF A STREET PROJECT, STORM SEWER PROJECT, SANITARY SEWER PROJECT AND WATER PROJECT IN THE DISTRICT AND ASSESSING THE COST OF SUCH PROJECT AGAINST THE ASSESSABLE LOTS, TRACTS AND PARCELS OF LAND BENEFITED BY SAID PROJECT.**

WHEREAS, the City of Las Vegas, Nevada (the "City") is organized and operating pursuant to the provisions of Chapter 517, Statutes of Nevada 1983, as amended, and the general laws of the State of Nevada; and

WHEREAS, the City Council of the City of Las Vegas (the "Council") has heretofore, pursuant to the requisite preliminary proceedings, created the City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) (the "District") for the purpose of acquiring and improving streets, sanitary sewers, storm sewers and water mains (the "Project") and has provided that the entire cost and expense of the Project shall be paid by special assessments, according to benefits levied against the benefited lots, tracts and parcels of land in the District; and

WHEREAS, a written petition requesting that the City initiate the acquisition and improvement of the street project, storm sewer project, sanitary sewer project and water project hereinafter more specifically described (the "Project") pursuant to Chapter 271, Nevada Revised Statutes and all laws amendatory thereof and supplemental thereto has previously been submitted to the Council of the City (the "Council") by the Howard Hughes Corporation, a Delaware Corporation (the "Developer"), which at the time of presentation of the petition was the owner of 100% of the assessable property (except for property owned by the City and except for State or other government or privately owned property on which easements will be acquired) in an area to be known as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area)" (the "District"); and

WHEREAS, the City and the Developer have, pursuant to such petition, entered into a Development and Financing Agreement (the "Financing Agreement") for the acquisition

and improvement of the Project which contains the terms and conditions required by NRS 271.710 and 271.720; and

**WHEREAS**, the District has been created by an Ordinance designated as the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Creation Ordinance” heretofore approved by the Council under the provisions of the Act; and

**WHEREAS**, the Council has heretofore determined that the entire cost and expense to the City of the acquisition and improvement of the Project is to be paid by special assessments levied against the benefited lots, tracts and parcels of land in the District; and

**WHEREAS**, such cost and expense of the Project includes the costs and expenses of the City to be incurred in connection with the issuance of the bonds by the City (the “Bonds”) to finance the cost of the acquisition and improvement of the Project and the amount of reserve and other funds for the Bonds; and

**WHEREAS**, the Council has heretofore determined and does hereby declare that the net cost to the City of the Project is \$10,000,000, of which \$-0- is available from other sources and \$10,000,000 is to be assessed upon the benefited lots, tracts and parcels of land in the District; and

**WHEREAS**, the Council, by resolution duly adopted, directed the City Engineer or any engineer on the City staff designated by the City Engineer (the “Engineer”) to make out a preliminary assessment roll; and

**WHEREAS**, after determination of the cost and expense of the acquisition and improvement of the Project to be paid by the property specially benefited, the Council, together with the Engineer, made out an assessment roll containing, among other things, the name and address of the last-known owner of the property to be assessed, a description of each lot, tract and parcel of land to be assessed, and the amount of the assessment thereon and has filed the assessment roll with the City Clerk; and

**WHEREAS**, the Council, by resolution duly adopted and confirmed the assessment roll to be in final form; and

**WHEREAS**, the assessments do not exceed the benefits to the property assessed nor the total cost and expense of the acquisition and improvement of the Project payable from assessments as heretofore determined and do not exceed the reasonable market value of the lots, tracts and parcels of land to be assessed; and

**WHEREAS**, it is incumbent upon the Council to provide when said assessments shall become due and the penalties payable after any delinquency.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAS VEGAS, IN THE STATE OF NEVADA, DOES ORDAIN:**

Section 1. All actions, proceedings, matters and things heretofore taken, had and done by the City and the officers thereof (not inconsistent with the provisions of this City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Assessment Ordinance (the "Ordinance")) concerning the District, including, but not limited to, the acquisition and improvement of the Project, the levy of assessments for those purposes, and the validation and confirmation of the assessment roll and the assessments therein, are ratified, approved and confirmed.

Section 2. For the purpose of paying the cost and expense of acquisition and improvement of the Project by the City, there are hereby levied and assessed against the lots, tracts and parcels of land in the District specially benefited by the Project and described in the assessment roll for the District, as filed in the office of the City Clerk on April 16, 2003 the amounts and assessments shown in the assessment roll (as so filed and confirmed). The Council hereby finds and determines that such assessments do not exceed the benefits to the property assessed nor the total cost and expense of the acquisition and improvement of the Project payable from assessments as heretofore determined and do not exceed the reasonable market value of the lots, tracts and parcels of land to be assessed.

Section 3. The Developer pursuant to the Financing Agreement has elected to pay the assessments in installments, with interest as hereinafter provided. The unpaid assessments shall be payable in forty (40) substantially equal semiannual installments of principal and interest until paid in full, with interest in all cases on the unpaid and deferred installments of principal from the effective date of this Ordinance at a rate or rates which will not exceed by more than one percent (1%) the highest rate of interest on the Bonds issued for the District, both principal and interest on such assessments being payable semiannually at the office of the City Treasurer on April 1 and October 1 in each year, commencing on October 1, 2003. Before Bonds are issued, the Council shall by resolution fix the rate or rates of interest on the unpaid and deferred installments of the assessments. The effective interest rate on the Bonds will not exceed the statutory maximum rate, i.e., will not exceed by more than three percent (3%)

the "Index of Twenty Bonds" which is most recently published in The Bond Buyer before a negotiated offer for the sale of the Bonds is accepted.

The installments of the assessments shall be payable at the office of the City Treasurer. Pursuant to NRS 271.415(5), the City Treasurer shall notify the owners of real property within the District of the amounts becoming due promptly after each March 1 and September 1; such notice shall state that the assessment installment is payable not later than the April 1 or October 1 next succeeding such notice. Except as hereinafter provided, failure to pay any installment, whether of principal or interest, when due shall cause the whole amount of the unpaid principal of such assessment to become due and payable immediately, at the option of the City, the exercise of said option shall be indicated by the commencement of foreclosure or sale proceedings by the City. The whole amount of the unpaid principal and the interest that has accrued thereon shall, commencing fifteen (15) days after the date on which the delinquent installment became due, whether or not the option to accelerate the due date for the payment of the unpaid principal is exercised, bear a penalty at the rate of 2% (or at any higher rate authorized by statute, or any lower rate, which may be zero percent, for such period as determined by the City Treasurer) per month (not prorated for any portion of the month) on the unpaid balance of the assessment and accrued interest, until the day of sale or until paid; provided, however, that, in the event of the failure on the part of the Developer, or on the part of any merchant builder that has purchased property from the Developer or any of its successors in interest, to pay, on or before the date on which the same becomes due, any installment (either principal or interest) of the assessment against any lot or parcel that is then owned by it, but such delinquency is not cured within such fifteen (15) day period, the Developer or such merchant builder, as the case may be, shall pay, in addition to such delinquent installment, a penalty that is equal to 2% of the whole amount of the unpaid principal and the interest that has accrued thereon, prorated based upon a thirty day month, for the number of days during which such delinquency existed; and provided further that, at any time, prior to the day of such sale, the owner of any such lot or parcel, including without limitation the Developer, may pay the aggregate amount of all of the delinquent installments originally becoming due on or before the date of said payment, with accrued interest thereon and all penalties and costs of collection accrued, and shall thereupon be restored to the right thereafter to pay in installments in the same manner as if default had not been suffered.

The owner of any property assessed and not in default as to any assessment installment or payment may, at any time (at the option of such owner), pay the whole or any portion of the unpaid principal with interest accruing thereon to the next assessment payment date, together with a prepayment premium equal to 3% of the principal amount so prepaid. If the Bonds may then be redeemed without the payment of any premium, the City, in its sole discretion, may waive the requirement of payment of the redemption premium. No waiver for a particular prepayment premium shall be deemed to be a waiver for any other prepayment premium. The owner of any assessed property may, at any time, request the City to provide information as to the total amount which will be due in connection with a proposed prepayment of an assessment by such owner and the City will promptly (but in any event within five (5) business days) provide such information to the owner. After any partial prepayment of an assessment or refunding of the Bonds pursuant to NRS 271.488, the City Treasurer shall re-amortize the assessment installments due on the parcel on which the partial prepayment was made or, in the case of a refunding, on all parcels, so that the remaining installments are equal semiannual installments of principal and interest with a final due date of April 1, 2023.

Assessment installments or assessment prepayments shall be reduced by the amount of any credits available for such installments or prepayments as provided in the Financing Agreement.

Section 4. The aforesaid amounts assessed shall be a lien upon said lots, tracts and parcels of land from the effective date of this Ordinance until paid, coequal with the latest lien thereon to secure the payment of general (ad valorem) taxes and prior and superior to all other liens, claims, encumbrances and titles (other than the liens of assessments and general (ad valorem) taxes). The sale of any such lot, tract or parcel of land for general or other taxes shall not relieve such lot, tract or parcel of land from such assessment or the lien therefor. Such amounts shall continue to be a lien upon the lots, tracts and parcels of land assessed until paid in full (including all principal and the interest thereon, and any penalties and collection costs).

Section 5. (a) Should any lot, tract or parcel of land within the District be divided after the effective date of this Ordinance and before the collection of all the assessment installments, the Council may require the Treasurer of the City to apportion the uncollected amounts upon the several parts of land so divided. The report of such an apportionment, when approved, shall be conclusive on all the parties, and all assessments thereafter made upon the

tracts shall thereafter be according to the subdivision. The report, when approved, shall be recorded in the office of the County Recorder of Clark County, Nevada, together with a statement that the current payment status of any of the assessments may be obtained from the City Treasurer. Neither the failure to record the report nor any defect in the report as recorded shall affect the validity of the assessments, the lien for the payment thereof or the priority of that lien.

(b) The City may also reapportion assessments on tracts with the consent of property owners whose assessment will be increased thereby pursuant to NRS 271.425(3) or NRS 271.710(2) if the Council finds that the proposed action will not:

(i) materially or adversely impair the obligation of the City with respect to the Bonds; or

(ii) increase the principal balance of any assessment to an amount such that the aggregate amount which is assessed against a tract exceeds the minimum benefit to the tract that is estimated to result from the project which is financed by the assessment.

Section 6. In case any such lot, tract or parcel of land so assessed is delinquent in the payment of such assessment or any installment of principal or interest, the City Treasurer promptly (but in no event later than 45 days after the installment due date) shall mark the assessment installment delinquent on the assessment roll for the District and shall notify the owner of such delinquent property, if known, in writing of such delinquency, by first-class mail, postage prepaid, addressed to the addressee's last-known address. Unless such assessment installment plus accrued interest and penalties thereon are immediately paid in full, the City Treasurer shall enforce the collection of the delinquent assessment with the other taxes in the general assessment roll of the City and in the same manner. Unless otherwise directed by the Council, in the case of such a collection, the City Treasurer shall determine whether to cause the whole amount of the unpaid assessment with respect to such property to be immediately due and payable. Alternatively, at the direction of the Council, the City may proceed with the collection or enforcement of any delinquent assessment installment, or the whole amount of the unpaid assessment with respect to such property if the City has exercised its option to cause the whole amount of the unpaid assessment with respect to such property to become due and payable (i) by a foreclosure action brought in the district court located in and for the City or (ii) by directing the

Treasurer of the City to give notice of the sale of the property subject to the lien of the delinquent assessment and to otherwise proceed to foreclose on the assessment as provided in NRS 271.540 to 271.630, inclusive. All proceedings supplemental to the judgment in any foreclosure action, including appeal, period of redemption, sale and the issuance of a deed, shall be conducted in accordance with the law relating to property sold upon foreclosure of mortgages or liens upon real property, except that there shall be no personal liability upon the defendants for any deficiency in the proceeds of such sale. If any such sale or foreclosure is not promptly filed and diligently prosecuted by the City, any bondholder may file and prosecute a foreclosure action in the name of the City. Any bondholder may also proceed against the City to protect and enforce the rights of the owners of the Bonds under this Ordinance and the Act by suit, action or special proceedings in equity or at law, either for the appointment of a receiver or for the specific performance of any provision contained herein or in the Act or in an award of execution of any power herein granted for the enforcement of any proper legal or equitable remedy as such bondholder may deem most effectual to protect and enforce the rights aforesaid. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds then outstanding. The failure of the bondholders so to foreclose upon the property which is the subject of such delinquent assessments or so to proceed against the City, or both, shall not relieve the City or any of its officers, agents or employees of any duty so to take the actions hereinabove set forth.

Section 7. The City Clerk is hereby directed to deliver to the County Assessor and the County Recorder of Clark County, Nevada, a copy of the final assessment roll containing a description of the lots, tracts and parcels of land being assessed, with the amount of the assessment levied upon each and the name and address of the owner against whom the assessment was made, together with a statement that the current payment status of any of the assessments may be obtained from the City Treasurer. Neither the failure to record the assessment roll as provided in this Section nor any defect in the roll as recorded shall affect the validity of the assessments, the lien for the payment thereof or the priority of that lien. The City Treasurer is hereby directed to collect the amounts assessed as a tax upon the lots, tracts and parcels of land to which they were assessed.

Section 8. In accordance with NRS 271.390(2), the City Clerk shall give written notice of the levy of assessments by mailing a copy of such notice, postage prepaid,

promptly after the effective date of this Ordinance, to the owners of all property upon which the assessment was levied at their last-known address or addresses. Proof of such mailing shall be made by the affidavit of the City Clerk, provided, however, that failure to mail any such notice or notices shall not invalidate any assessment or any other proceedings concerning the District. Proof of the mailing shall be maintained in the permanent records of the office of the City Clerk until all special assessments and all Bonds shall have been paid in full, as to both principal and interest, or until any claim is barred by an appropriate statute of limitations. The Council hereby determines that the manner of giving notice herein provided by mail is reasonably calculated to inform the parties of the proceedings concerning the District and the levy of assessments which may directly and adversely affect their legally protected interests.

Section 9. The notice provided for in NRS 271.390(2) and in Section 8 of this Ordinance shall be in substantially the following form:

(Form of Notice)

NOTICE TO PROPERTY OWNERS OF THE LEVY OF ASSESSMENTS FOR  
IMPROVEMENTS IN THE  
CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT  
NO. 809 (SUMMERLIN AREA)

NOTICE IS HEREBY GIVEN to the owners of all property upon which an assessment has been levied that, by an ordinance duly passed, adopted, signed and approved on May 7, 2003 (the "Ordinance"), there were levied and assessed against the lots, tracts and parcels of land specially benefited by the local improvements in what is designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area)" (said lots, tracts and parcels of land being more specifically described in the assessment roll designated in the Ordinance), the costs and expenses of such improvements.

The assessments are payable at the times and in the amounts specified in the Ordinance. Failure to pay any installment, whether of principal or interest, when due shall cause the whole amount of the unpaid principal of such assessment to become due and payable immediately, at the option of the City, the exercise of said option shall be indicated by the commencement of foreclosure or sale proceedings by the City. The whole amount of the unpaid principal and the interest that has accrued thereon shall, commencing fifteen (15) days after the date on which the delinquent installment became due, whether or not the option to accelerate the due date for the payment of the unpaid principal is exercised, bear a penalty at the rate of 2% (or at any higher rate authorized by statute, or any lower rate, which may be zero percent, for such period as determined by the City Treasurer) per month (not prorated for any portion of the month) on the unpaid balance of the assessment and accrued interest, until the day of sale or until paid, if any, is paid; provided, however, that, in the event of the failure on the part of the Developer (as defined in the Ordinance), or on the part of any merchant builder that has purchased property from the Developer or any of its successors in interest, to pay, on or before the date on which the same becomes due, any installment (either principal or interest) of the assessment against any lot or parcel that is then owned by it, but such delinquency is not cured within such fifteen (15) day period, the Developer or such merchant builder, as the case may be, shall pay, in addition to such delinquent installment, a penalty that is equal to 2% of the whole

amount of the unpaid principal and the interest that has accrued thereon, prorated based upon a thirty day month, for the number of days during which such delinquency existed; and provided further that, at any time, prior to the day of such sale, the owner of any such lot or parcel, including without limitation the Developer, may pay the aggregate amount of all of the delinquent installments originally becoming due on or before the date of said payment, with accrued interest thereon and all penalties and costs of collection accrued, and shall thereupon be restored to the right thereafter to pay in installments in the same manner as if default had not been suffered.

Pursuant to NRS 271.395, within fifteen (15) days after the effective date of the Ordinance, any person who has filed a complaint, protest or objection in writing may commence an action or suit in any court of competent jurisdiction to correct or set aside such determination. Thereafter all actions or suits attacking the regularity, validity and correctness of the proceedings, of the assessment roll, of each assessment contained in the assessment roll, and of the amount of the assessment levied on each lot, tract and parcel of land including without limiting the generality of the foregoing, the defense of confiscation, are perpetually barred.

The amounts assessed as aforesaid constitute a lien upon said lots, tracts and parcels of land from May 11, 2003, which lien shall be coequal with the latest lien thereon to secure the payment of general (ad valorem) taxes and prior and superior to all other liens, claims, encumbrances and titles (other than the liens of assessments and general (ad valorem) taxes.) The sale of any such lot, tract or parcel of land for general (ad valorem) taxes shall not relieve such lot, tract or parcel of land from such assessment or the lien therefor.

DATED this May \_\_, 2003.

/s/ Barbara Jo Ronemus  
City Clerk

Amount of assessment \$ \_\_\_\_\_

Description of property assessed \_\_\_\_\_

(End of Form of Notice)

Section 10. The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing, the preparation of all necessary documents, legal proceedings and other items necessary or desirable for the issuance of the Bonds.

Section 11. All ordinances, resolutions, bylaws and orders, 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, resolution, bylaw or order, or part thereof, heretofore repealed.

Section 12. When first proposed, this Ordinance must be read to the Council by title, after which an adequate number of copies of this Ordinance must be deposited with the City Clerk for public examination and distribution. Notice of the deposit must be published once in a newspaper published and having general circulation in the City at least ten (10) days before the adoption of the Ordinance, such publication to be in substantially the following form:

(FORM OF PUBLICATION OF NOTICE OF DEPOSIT OF AN ORDINANCE)

BILL NO. \_\_\_\_\_  
ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE CONCERNING THE CITY OF LAS VEGAS, NEVADA  
SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA);  
PROVIDING FOR THE PAYMENT OF THE COSTS AND EXPENSES OF  
A STREET PROJECT, STORM SEWER PROJECT, SANITARY SEWER  
PROJECT AND WATER PROJECT IN THE DISTRICT AND  
ASSESSING THE COST OF SUCH PROJECT AGAINST THE  
ASSESSABLE LOTS, TRACTS AND PARCELS OF LAND BENEFITED  
BY SAID PROJECT.**

PUBLIC NOTICE IS HEREBY GIVEN, and that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance are available for public inspection and distribution at the office of the City Clerk of the City of Las Vegas, at her office in City Hall, 400 Stewart Avenue, Las Vegas, Nevada, and that such Ordinance was proposed on April 16, 2003, and will be considered for adoption at a regular meeting of the City Council of the City of Las Vegas held on May 7, 2003.

/s/ Barbara Jo Ronemus  
City Clerk

(End of Form of Publication of Notice of Deposit of An Ordinance)

Section 13. After this Ordinance is 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 Las Vegas Review-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)

**ORDINANCE NO. \_\_\_\_\_**  
**(of Las Vegas, Nevada)**

**AN ORDINANCE CONCERNING THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA); PROVIDING FOR THE PAYMENT OF THE COSTS AND EXPENSES OF A STREET PROJECT, STORM SEWER PROJECT, SANITARY SEWER PROJECT AND WATER PROJECT IN THE DISTRICT AND ASSESSING THE COST OF SUCH PROJECT AGAINST THE ASSESSABLE LOTS, TRACTS AND PARCELS OF LAND BENEFITED BY SAID PROJECT.**

PUBLIC NOTICE IS HEREBY GIVEN, and that such Ordinance was proposed on April 16, 2003, and was passed at the meeting held on May 7, 2003, by the following vote of the City Council:

Those Voting Aye:                   Oscar B. Goodman  
  Gary Reese  
  Michael J. McDonald  
  Larry Brown  
  Lynette Boggs McDonald  
  Lawrence Weekly  
  Michael Mack

Those Voting Nay:                   \_\_\_\_\_

Those Absent:                       \_\_\_\_\_

This Ordinance shall be in full force and effect from and after May 11, 2003, i.e., the day after the publication of such Ordinance by its title only.

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

DATED May 7, 2003.

/s/ Oscar B. Goodman  
Oscar B. Goodman, Mayor

Attest:

/s/ Barbara Jo Ronemus  
Barbara Jo Ronemus, City Clerk

(End of Form of Publication)

Section 14. If any section, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Proposed on April 16, 2003.

Proposed by Council member \_\_\_\_\_.

Vote:

Those Voting Aye:           Oscar B. Goodman  
  Gary Reese  
  Michael J. McDonald  
  Larry Brown  
  Lynette Boggs McDonald  
  Lawrence Weekly  
  Michael Mack

Those Voting Nay: \_\_\_\_\_

Those Absent: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Barbara Jo Ronemus, City Clerk

\_\_\_\_\_  
Oscar B. Goodman, Mayor

This Ordinance shall be in force and effect from and after May 11, 2003, i.e., the date after the publication of such Ordinance by its title only.

APPROVED AS TO FORM:  
*Madeline P. DiIorio - DiIorio* 4-2-'03  
DATE

STATE OF NEVADA        )  
   )  
 COUNTY OF CLARK        ) SS.  
   )  
 CITY OF LAS VEGAS     )

I, Barbara Jo Ronemus, the duly chosen and qualified City Clerk of Las Vegas (the "City"), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of an ordinance which was introduced at the meeting of the Council on April 16, 2003 and finally adopted and approved on May 7, 2003.

2. The following members of the Council were present at the April 16, 2003 Council meeting:

Mayor:	Oscar Goodman
Councilmembers:	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

3. The foregoing Ordinance was first proposed and read by title to the City Council on April 16, 2003, and referred to a committee composed of the \_\_\_\_\_ for recommendation; thereafter the said committee reported favorably on said Ordinance on May 7, 2003, which was a regular meeting of said Council; that at said regular meeting, the proposed Ordinance was again read by title to the City Council and adopted. The members of the City Council were present at the May 7, 2003 meeting and voted upon the adoption of the Ordinance as follows:

Those Voting Aye:	Oscar Goodman
	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack
Those Voting Nay:	_____
Those Absent:	_____

4. The original of the Ordinance has been approved and authenticated by the signatures of the Mayor of the City and myself as Clerk of the City, and sealed with the seal of the City, and has been recorded in the journal of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

5. All members of the Council were given due and proper notice of the meetings held on April 16, 2003 and May 7, 2003. Pursuant to § 241.020, Nevada Revised Statutes, written notice of the meetings was given no later than 9:00 a.m. on the third working day before the meetings including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice by 9:00 a.m. at least three working days before the meetings at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the Council, to wit:

- (i) Court Clerk's Office Bulletin Board  
City Hall Plaza  
Las Vegas, Nevada
- (ii) City Hall  
City Hall Plaza  
Special Outside Posting Bulletin Board  
Las Vegas, Nevada
- (iii) Senior Citizens Center  
Las Vegas, Nevada
- (iv) Clark County Government Center  
500 South Grand Central Parkway  
Las Vegas, Nevada
- (v) Downtown Transportation Center  
Las Vegas, Nevada

; and

(b) By mailing a copy of the notice by 9:00 a.m. no later than three working days before the meetings to each person, if any, who has requested notice of the meetings of the Council in the same manner in which notice is required to be mailed to a member of the Council.

6. A copy of such notice so given of the meeting of the Council on April 16, 2003, is attached to this certificate as Exhibit A and a copy of the notice so given of the meeting of the Council on May 7, 2003 is attached to this certificate as Exhibit B.

7. Upon request, the governing body provides, at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the members of the governing body for an item on the agenda, except for certain confidential materials and materials pertaining to the closed meetings, as provided by law.

**IN WITNESS WHEREOF**, I have hereunto set my hand on this May \_\_\_\_, 2003.

---

Barbara Jo Ronemus, City Clerk

(SEAL)

EXHIBIT A

(Notice of April 16, 2003 City Council Meeting)

**EXHIBIT B**

**(Notice of May 7, 2003 Council Meeting)**

**EXHIBIT C**

**(Attach Affidavit of Publication of Notice of Deposit of the Ordinance)**

**EXHIBIT D**

**(Attach Affidavit of Publication of Adoption of Ordinance)**

**AGENDA SUMMARY PAGE**

**RECOMMENDING COMMITTEE MEETING OF: MAY 5, 2003**

**DEPARTMENT: FINANCE AND BUSINESS SERVICES**

**DIRECTOR: MARK R. VINCENT**

**CONSENT**

**DISCUSSION**

**SUBJECT:**

**NEW BILL:**

**Bill No. 2003-43** – Authorizing the issuance of Local Improvement Bonds, Series 2003 for the City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) not to exceed \$10,000,000 - Ward 2 (L.B. McDonald)

**Fiscal Impact**

**No Impact**

**Amount:** \$10,000,000

**Budget Funds Available**

**Dept./Division:** Summerlin Agency Fund

**Augmentation Required**

**Funding Source:** SID assessments in District 809

**PURPOSE/BACKGROUND:**

The bonds are being issued by the City pursuant to the Nevada Consolidated Local Improvement Law (NRS 271) in order to finance the acquisition of certain public improvements for property located in the City's Special Improvement District No. 809 pursuant to the Development and Financing Agreement between the developer (Howard Hughes Corporation) and the City. The bonds do not constitute a debt of the City.

**RECOMMENDATION:**

This bill should be submitted to a recommending committee for review, hearing and recommendation to the City Council for final action.

**BACKUP DOCUMENTATION:**

1. Bill No. 2003-43
2. Preliminary Official Statement
3. Bond Purchase Agreement

**COMMITTEE RECOMMENDATION:**

**COUNCILWOMAN McDONALD recommended Bill 2003-43 be forwarded to the Full Council with a "Do Pass" recommendation. COUNCILMAN WEEKLY concurred.**

**MINUTES:**

COUNCILMAN WEEKLY declared the Public Hearing open.

CHIEF DEPUTY CITY ATTORNEY STEED said this matter is in order

No one appeared in opposition and there was no further discussion.

COUNCILMAN WEEKLY declared the Public Hearing closed.

(4:06 – 4:07)

**BILL NO. 2003-43**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE CONCERNING THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) AND AUTHORIZING THE ISSUANCE OF LOCAL IMPROVEMENT BONDS, SERIES 2003 FOR THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000 TO FINANCE THE ACQUISITION AND IMPROVEMENT OF A STREET PROJECT, STORM SEWER PROJECT, AND WATER PROJECT.**

**WHEREAS**, the City of Las Vegas, Nevada (the "City") is organized and operating pursuant to the provisions of Chapter 517, Statutes of Nevada 1983, as amended, and the general laws of the State of Nevada; and

**WHEREAS**, the City Council of the City (the "Council") has heretofore, pursuant to the requisite preliminary proceedings, created the City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) (the "District") for the purpose of acquiring and improving a streets, sanitary sewers, storm sewers, and water mains (the "Project") and has provided that the entire cost and expense of the Project shall be paid by special assessments, according to benefits, levied against the benefited lots, tracts and parcels of land in the District; and

**WHEREAS**, the Council has heretofore provided for the payment of the cost and expense of the Project by assessing the cost of the Project against the assessable lots, tracts and parcels of land benefited by the Project; and

**WHEREAS**, the Council desires to issue its City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Local Improvement Bonds, Series 2003 in the aggregate principal amount of \$10,000,000 (the "Bonds") to provide funds to pay the cost and expense of the Project; and

**WHEREAS**, the Bonds are to be payable from the sources permitted by the Consolidated Local Improvements Law, Chapter 271, Nevada Revised Statutes, and all laws amendatory thereof and supplemental thereto (the "Act"), as more fully described herein; and

**WHEREAS**, the Bonds are to be sold by the City to Stone & Youngberg LLC (the “Purchaser”) on the terms set forth in the Bond Purchase Agreement in substantially the form filed with the City Clerk prior to the date of adoption of this Ordinance (the “Bond Purchase Agreement”); and

**WHEREAS**, the effective interest rate on the Bonds shall not exceed by more than three percent (3%) the “Index of Twenty Bonds” which was most recently published in The Bond Buyer; and

**WHEREAS**, the Council has elected, and hereby elects, to have Chapter 348 of NRS apply to the Bonds.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LAS VEGAS IN THE STATE OF NEVADA, DOES ORDAIN:**

Section 1. In addition to the terms elsewhere defined in this Special Improvement District No. 809 (Summerlin Area) Bond Ordinance (the “Ordinance”), the following terms shall have the respective meanings set forth below:

“Administration Fund” means the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Administration Fund” established in Section 11 hereof.

“Annual Debt Service” means, for each Bond Year, the sum of the interest falling due on all outstanding Bonds in such Bond Year, assuming that all outstanding Bonds are retired as scheduled and the principal amount of the outstanding Bonds maturing subject to mandatory redemption by their terms in such Bond Year. “Annual Debt Service” shall not include interest on Bonds that is to be paid from amounts constituting capitalized interest.

“Assessment” or “Assessments” means the aggregate special assessment or individual portions thereof, as the case may be, levied by the City constituting a first lien and charge upon benefited lots, tracts and parcels of land within the District, co-equal with the latest lien thereon to secure the payment of general (ad valorem) taxes and the lien of special assessments levied pursuant to the Act.

“Assessment Installments” means the installments of principal and interest of the Assessments to be paid by the owners of the benefited lots, tracts and parcels of land within the District.

“Assessment Ordinance” means the assessment ordinance finally adopted by the Council on and any ordinance amending such ordinance.

“Average Annual Debt Service” means the average Bond Year Annual Debt Service over all Bond Years.

“Bond Fund” means the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Bond Fund” established in Section 11 hereof.

“Bond Reserve Fund” means the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Bond Reserve Fund” established in Section 11 hereof.

“Bond Year” means (i) with respect to the initial Bond Year, the period extending from the date the Bonds are originally delivered to and including June 1, 2004 and (ii) thereafter, each successive twelve month period.

“Certificate of City Finance Director” means a certificate of the City Finance Director dated on or before the date of delivery of the Bonds setting forth the rate of interest on the Bonds, the dates on which and prices at which Bonds may be called for redemption, the price at which the Bonds will be sold, and the amount of principal maturing on each date.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, including any regulations promulgated under the Internal Revenue Code of 1954, as amended, applicable to the Bonds.

“Construction Fund” means the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Construction Fund” established in Section 11 hereof.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the City and the Developer, in substantially the form now before the Council, and any amendments and supplements thereto.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed by the Mayor and dated as of the date of delivery of the Bonds, in substantially the form now before the Council, and any amendments and supplements thereto.

“Developer” means The Howard Hughes Corporation, a Delaware corporation.

“Financing Agreement” means the Development and Financing Agreement dated as of February 1, 2003 between the City and the Developer, and any amendments and supplements thereto.

“Maximum Annual Debt Service” means the largest Annual Debt Service during the period from the date of such determination through the final maturity date of any outstanding Bonds.

“Parity Assessments” means other assessments levied on the assessable property within the District or any portion thereof, pursuant to the Act or any similar law, which are on a parity with the lien of the Assessments.

“Parity Value-to-Lien Ratio” means a fraction, (i) the numerator of which is the market value of all or any portion of the assessable property in the District, as set forth in a Qualified Appraisal Report, with respect to which the Parity Value-to-Lien Ratio is being determined, and (ii) the denominator of which is the sum of the principal amount of existing Assessments levied on the assessable property with respect to which the Parity Value-to-Lien Ratio is being determined, plus the principal amount of any Parity Assessments theretofore levied and then proposed to be levied on such property (which shall be expressed, after reducing such fraction, as the numerator of said fraction to the denominator of such fraction).

“Paying Agent” means the Treasurer of the City, being the agent for the City for the payment of the Bonds and interest thereon, or his or her successors and assigns appointed in accordance with the provisions hereof.

“Qualified Appraisal Report” means a real estate appraisal report which (a) has been prepared by a real estate appraiser selected by the City having an “MAI” designation from The Appraisal Institute, (b) at the time of its submittal to the City is not more than six months old, (c) states that it is prepared in accordance with the applicable standards of The Appraisal Institute for such reports, and (d) employs a methodology and provides limiting conditions that

are consistent with the initial appraisal prepared at the time of the creation of the District and the levy of the Assessments.

“Qualified Engineer” means an engineer (whether independent of the City or employed by the City) or engineering firm or corporation selected by the City having skill, knowledge and experience in special assessment districts.

“Rebate Fund” means the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Rebate Fund” created in Section 11 hereof.

“Record Date” means the fifteenth day of the calendar month preceding the calendar month in which each regularly scheduled interest payment date for the Bonds occurs.

“Refunding Bonds” means bonds issued by the City to refund a portion of the Bonds.

“Registrar” means the Treasurer of the City, being the agent for the City for the registration, transfer and exchange of the Bonds, or his or her successors and assigns appointed in accordance with the provisions hereof.

“Remaining Assessments” means Assessments which remain part of the Trust Estate after the issuance of any Refunding Bonds.

“Report” means the Engineers Report For Special Improvement District No. 809 (Summerlin Area) dated April 16, 2003, and any addendum thereto filed with the City Clerk prior to the date of adoption of this ordinance.

“Reserve Requirement” means an amount equal to the lesser of: (i) ten percent (10%) of the original principal amount of the Bonds; (ii) one hundred twenty-five percent (125%) of Average Annual Debt Service on the Bonds; and (iii) Maximum Annual Debt Service on all Bonds Outstanding, less the sum of all downward adjustments to the Reserve Requirement due to the prepayment of Assessments as provided in Section 3.14E hereof or due to the issuance of Refunding Bonds as provided in Section 27 hereof. The amount of the Reserve Requirement upon initial delivery of the Bonds shall be confirmed in the Certificate of City Finance Director.

“Special Record Date” means a special date fixed by the Paying Agent to determine the names and addresses of registered owners of Bonds for the purpose of paying

interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 3 hereof.

“Trust Estate” means (i) all Assessments except Assessments released pursuant to Section 27 hereof, (ii) all moneys and securities from time to time held by the City in the Bond Reserve Fund and the Bond Fund (including all earnings thereon except to the extent deposited in the Rebate Fund), and (iii) any and all other real or personal property of every name and nature hereafter by delivery or in writing specially pledged as additional security for the Bonds.

“Undeveloped Property” means property located within the District on which there is no improvement which requires a City certificate of occupancy.

“Value-to-Lien Ratio” means a fraction, (i) the numerator of which is the most recent market value of the Undeveloped Property subject to the lien of the Remaining Assessments, as certified by the County Assessor or, in the sole discretion of the City, is the market value of the Undeveloped Property subject to the lien of the Remaining Assessments, as set forth in a Qualified Appraisal Report, and (ii) the denominator of which is the sum of the principal amount of the Remaining Assessments (which shall be expressed, after reducing such fraction, as the numerator of said fraction to the denominator of such fraction). For the purpose of Section 23 only, Value-to-Lien Ratio means a fraction, (i) the numerator of which is the most recent market value of the property which is the subject of the proposed combination or reapportionment of Assessments, as certified by the County Assessor or, in the sole discretion of the City, is the market value of the property which is the subject of the proposed combination or reapportionment of Assessments, as set forth in a Qualified Appraisal Report, and (ii) the denominator of which is the sum of the principal amount of the Assessments which will be levied on such property after the proposed combination or reapportionment (which shall be expressed, after reducing such fraction, as the numerator of said fraction to the denominator of such fraction).

Section 2. All actions, proceedings, matters and things heretofore taken, had and done by the City and the officers thereof (not inconsistent with the provisions of this Ordinance) concerning the District, including, but not limited to, the acquisition and improvement of the Project, the levy of Assessments for those purposes, the validation and confirmation of the assessment roll and the Assessments therein and the sale of the Bonds to the

Purchaser, are ratified, approved and confirmed, including, without limitation, the execution and delivery of the Bond Purchase Agreement and the distribution of the Preliminary Official Statement for the Bonds.

Section 3. For the purpose of defraying the entire cost and expense to the City of the Project, there shall be issued the City's special assessment bonds designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Local Improvement Bonds, Series 2003" in the aggregate principal amount of \$10,000,000, which Bonds shall be dated as of the date of delivery of the Bonds and shall be in the form of fully registered Bonds in the denominations of \$5,000 and any integral multiple thereof. The Bonds shall bear interest, at the rates per annum designated in the Certificate of the City Finance Director from the most recent interest payment date for which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds, to maturity at the rates per annum herein designated, payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2003. The bonds shall mature on each June 1 in the years and amounts as designated in the Certificate of the City Finance Director. The principal of each Bond shall be payable at the principal office of the Paying Agent upon presentation and surrender of the Bond.

Except as provided in Section 8 hereof, payment of interest on any Bond shall be made to the person who is the registered owner thereof at the close of business on the Record Date for such interest payment date by check mailed by the Paying Agent to such registered owner at his or her address as it appears on the registration records kept by the Registrar, but any such interest not so timely paid shall cease to be payable to the person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto by first-class postage prepaid mail to each such registered owner as shown on the registration records, 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 in writing between the registered owner of such Bond and

the Paying Agent. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full. Interest on the Bonds shall be calculated based on a 360-day year, consisting of twelve 30-day months. All such payments shall be made in lawful money of the United States of America.

Section 4. The Bonds will be subject to redemption at the option of the City from any legally available funds on any interest payment date in whole, or in part from any maturities, in any order of maturity and by lot within a maturity in such manner as the City may determine, (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to 100% of the principal amount of each Bond, or portion thereof, so redeemed, and accrued interest thereon to the redemption date, plus a premium of not more than 3% as set forth in the Certificate of the City Finance Director. If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be selected proportionately from each outstanding maturity of the Bonds (including any mandatory sinking fund installment) unless the City Treasurer determines that the Assessment Installments will be sufficient to pay the principal and interest of the Bonds, which would remain outstanding using a different method of selecting Bonds to be redeemed, on each interest payment date subsequent to the redemption date. The redemption premium, if any, shall be paid from a prepayment penalty for the Assessments provided for in the Assessment Ordinance, provided, however, that nothing herein shall prevent the payment of any such redemption premium from any other funds available for that purpose. Any Assessment which is voluntarily prepaid shall be used to redeem Bonds on the next interest payment date on the Bonds which is at least 60 days after receipt of such prepayment; provided that the amount of any such prepaid Assessment which is less than \$5,000 and can not be used by such interest payment date to redeem Bonds may be used to pay principal of or interest on the Bonds due on such interest payment date; and provided further that all or any portion of such prepaid Assessment may be used to pay principal of or interest on the Bonds if necessary to avoid or cure a default in payment of principal of or interest on the Bonds. The Paying Agent shall not be required to give notice of any such prior redemption unless it has received written instructions from the City in regard thereto at least 60 days prior to such redemption date.

The Bonds shall be subject to mandatory sinking fund redemption to the extent provided in the Certificate of the City Finance Director. Not more than sixty days nor less than

forty-five days prior to each such sinking fund redemption date, the Registrar shall proceed to call the Bonds so designated for mandatory prior redemption from such sinking fund on the next sinking fund redemption date, and shall give notice of such call without further instruction or notice from the City.

At its option, to be exercised on or before the sixtieth day next preceding each sinking fund redemption date, the City may (i) deliver to the Registrar for cancellation, Bonds of the appropriate maturity in an aggregate principal amount desired by the City or (ii) specify a principal amount of Bonds of the appropriate maturity which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar or the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Bond or portion thereof so delivered or previously redeemed will be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such sinking fund redemption date and any excess over such amount shall be credited against future sinking fund redemption obligations for the Bonds of that maturity in chronological order or any other order specified by the City. In the event the City shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the Bonds to be cancelled or evidence thereof satisfactory to the Registrar.

In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. Unless waived by the registered owner of a Bond to be redeemed, notice of redemption shall be given by the Registrar in the name of the City by mailing such notice at least fifteen days and not more than sixty days prior to the redemption date, by first-class mail, postage prepaid, to the registered owners (initially Cede & Co.) of the Bonds to be redeemed at their addresses as shown on the registration records. Failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds. All such notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the

redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent. After such notice has been given in the manner hereinbefore provided, the Bond or Bonds called for redemption shall become due and payable on the designated redemption date, and upon presentation and surrender thereof the City will pay the Bond or Bonds called for redemption. Installments of interest due on the redemption date shall be payable as herein provided for payment of interest. A certificate by the Registrar that a notice of redemption has been given as herein set forth shall be conclusive and receipt by the Bondholder of a notice of redemption shall not be a condition precedent to the redemption of that Bond.

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

Section 5. Pursuant to NRS 271.515, the Mayor, the City Clerk and City Treasurer shall each file with the Secretary of State his or her manual signature certified under oath. Thereafter, each of the Bonds shall be signed and executed in the name of the City with the manual or facsimile of the signature of the Mayor, countersigned with the manual or facsimile of the signature of the City Treasurer, shall be attested with the manual or facsimile of the signature of the City Clerk and the seal of the City or a facsimile thereof shall be affixed thereto. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Any officer herein authorized or permitted to sign any Bond at the time of its execution and of the execution of a signature certificate may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon the Bond. No Bond shall be valid or obligatory for any

purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the manual signature of the Registrar (or a duly authorized officer thereof), and such certificate of authentication of the Registrar upon any Bond shall be the only competent evidence that such Bond has been duly issued and delivered. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence or information relating thereto, appropriate indemnification, and such reimbursement for expenses as it may reasonably require, register and deliver to the registered owner thereof a replacement for such Bond bearing a number not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar shall direct the Paying Agent to pay such Bond in lieu of replacement.

Section 6. Records for the registration and transfer of the Bonds shall be kept by the Registrar. A Bond shall be fully transferable by the registered owner thereof in person or by his or her duly authorized attorney on the registration records kept at the office of the Registrar upon presentation of the Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon the surrender for transfer of any Bond at the principal office of 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 or her attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar for an equal aggregate principal amount of Bonds of other authorized denominations. The Registrar may require the owner or transferee to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange, and may charge a sum sufficient to pay the cost of preparing and authenticating a new Bond. No such charges shall be levied in the case of an exchange resulting from a redemption of a portion of a Bond. The Registrar shall not be required to transfer or exchange (i) any Bond during the period beginning at the opening of business fifteen days before the date of the mailing by the Registrar of a notice of redemption of Bonds and ending at the close of business on the date such notice is mailed, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for redemption except the unredeemed portion of any Bond redeemed in part as herein provided. Whenever any Bond 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 and destroyed by the Paying Agent or Registrar, and a certificate of such destruction shall be prepared by the Paying Agent or Registrar.

The person in whose name a Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary. Payment of principal of, premium, if any, and interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his or her legal representative (except as provided above for the payment of interest to the registered owner as of the Record Date or a Special Record Date). 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.

The foregoing provisions of this Section are subject to the provisions of Section 8 hereof.

Section 7. Subject to the registration provisions hereof, the Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code — Investment Securities.

Section 8. Notwithstanding the provisions of Sections 4 through 6 hereof, the Bonds shall initially be evidenced by one Bond for each year in which Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of “Cede & Co.,” as nominee for The Depository Trust Company (“DTC”), the securities depository for the Bonds. So long as the Bonds are held by DTC, the Paying Agent, the Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of, premium, if any, and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the registered owners under this Ordinance, registering the transfer of such Bonds, obtaining any consent or other action to be taken by the registered owners and for all other purposes whatsoever, and neither the Paying Agent, the Registrar nor the City shall be affected by any notice to the contrary. Neither the Paying Agent, the Registrar nor the City shall have any responsibility or obligation to any DTC participant or indirect participant, any beneficial owner

of the Bonds, or any other person which is not shown on the registration records of the Registrar as being a registered owner with respect to the accuracy of any records maintained by DTC or any DTC participant or indirect participant; the payment by DTC or any DTC participant or indirect participant of any amount in respect of the Bonds; any notice which is permitted or required to be given to the registered owners under this Ordinance; the selection by DTC or any DTC participant or indirect participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as owner. After such initial issuance of the Bonds, the Bonds may not thereafter be transferred or exchanged except:

A. to any successor of DTC or its nominee, which successor must be both a “clearing corporation” as defined in subsection 3 of NRS 104.8102, and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or

B. upon the resignation of DTC or a successor or new depository under paragraph A or this paragraph B, or a determination by the City that DTC or such successor or new depository is no longer able to carry out its functions, and the designation by the City of another depository institution acceptable to the depository then holding the Bonds, which new depository institution must be both a “clearing corporation” as defined in subsection 3 of NRS 104.8102, and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of DTC or such successor or new depository; or

C. upon the resignation of DTC or a successor or new depository under paragraph A or paragraph B, or a determination by the City that DTC or such successor or new depository is no longer able to carry out its functions, and the failure by the City, after reasonable investigation, within 90 days thereafter to locate another qualified depository institution under paragraph B to carry out such depository functions or upon a determination by the City that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain Bond certificates and the delivery by the City of written notice thereof to the Registrar and the Paying Agent.

In the case of a transfer to a successor of DTC or its nominee as referred to in paragraph A above or designation of a new depository pursuant to paragraph B above, upon

receipt of the Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under paragraph C above and, if applicable, the failure after reasonable investigation within 90 days thereafter to locate another qualified depository institution for the Bonds as provided in paragraph C above, and upon receipt of the Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 and any integral multiple thereof, as provided in Section 3 hereof, registered in the names of such persons and in such denominations as are requested in such written transfer instructions; provided, however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

The City, the Registrar and the Paying Agent shall endeavor to cooperate with DTC or any successor or new depository named pursuant to paragraph A or B above in effectuating payment of the principal of, premium, if any, and interest on the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

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

Section 9. Pursuant to NRS 271.505, the Bonds shall contain a recital that they are issued pursuant to Chapter 271, Nevada Revised Statutes, which recital shall conclusively impart full compliance with all of the provisions of the Act, and all Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Section 10. Subject to the provisions of this Ordinance, the Bonds shall be in substantially the following form, with such omissions, insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Ordinance, or be

consistent with this Ordinance or 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)

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

UNITED STATES OF AMERICA

STATE OF NEVADA

CITY OF LAS VEGAS

NO. R-\_\_\_\_

\$\_\_\_\_\_

CITY OF LAS VEGAS, NEVADA

SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA)

LOCAL IMPROVEMENT BOND

SERIES 2003

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated as of</u>	<u>CUSIP Number</u>
__% per annum	_____	_____, 2003	

REGISTERED OWNER

PRINCIPAL AMOUNT

DOLLARS

City of Las Vegas, Nevada (the "City"), for value received, hereby promises to pay, out of funds available for that purpose as hereinafter set forth, to the registered owner specified above or registered assigns the principal amount specified above on the maturity date specified above (unless this Bond shall have been called for prior redemption, in which case on such redemption date) and to pay solely from such available funds interest hereon at the interest rate per annum specified above, said interest being payable on June 1 and December 1 in each year, commencing December 1, 2003. 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. Both principal and interest are payable in lawful money of the United States of America without deduction for exchange or collection charges. The principal of this Bond shall be

payable to the person in whose name this Bond is registered (the “registered owner”) on the registration records maintained by the registrar of the City, presently the City Treasurer in Las Vegas, Nevada, (the “Registrar”), upon presentation and surrender of this Bond as it becomes due. The interest hereon shall be paid by check mailed by the paying agent of the City, presently the City Treasurer in Las Vegas, Nevada (the “Paying Agent”), on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner at his or her address as it last appears on the registration records kept for that purpose by the Registrar on the fifteenth day of the calendar month preceding the calendar month in which such interest payment date occurs or on a special record date established by the Registrar for the payment of defaulted interest. Alternative means of payment of interest may be used if mutually agreed to between the registered owner of this Bond and the Paying Agent. If, upon presentation and surrender to the Paying Agent at maturity or prior redemption, payment of this Bond is not made as herein provided, interest hereon shall continue at the same rate per annum until the principal hereof is paid in full. Interest on this Bond shall be calculated based on a 360-day year consisting of twelve 30-day months.

This Bond is one of a series of bonds designated as the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Local Improvement Bonds, Series 2003” (the “Bonds”) issued by the City in the aggregate principal amount of \$10,000,000 for the purpose of providing funds to pay the cost and expenses of acquiring and improving a streets, sanitary sewers, storm sewers, and water mains (the “Project”) within the City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) (the “District”). The Bonds have been authorized and issued pursuant to an ordinance (the “Ordinance”) duly adopted by the City Council and the Consolidated Local Improvements Law, Chapter 271, Nevada Revised Statutes (the “Act”).

The Bonds are subject to redemption at the option of the City from any legally available funds on any interest payment date in whole, or in part from any maturities, in any order of maturity and by lot within a maturity in such a manner as the City may determine, (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to 100% of the principal amount of each Bond, or portion thereof, so redeemed, and accrued interest thereon to the redemption date, plus a premium computed in accordance with the following schedule:

<u>Redemption Period</u>	<u>Redemption Premium</u>
_____	_____%
_____	_____%
_____	_____%
_____	_____%

The Bonds maturing June 1, \_\_\_\_\_ are subject to mandatory sinking fund redemption as provided in the Ordinance at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. The Bonds to be so redeemed shall be selected by lot in such manner as the Registrar shall determine (giving proportionate weight to Bonds in denominations larger than \$5,000).

Redemption shall be made upon not less than thirty days' prior notice by mailing to the registered owner of each Bond to be redeemed at the address shown on the registration records in the manner and upon the conditions provided in the Ordinance.

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

Pursuant to the Ordinance, the payment of the principal of, premium, if any, and interest on the Bonds shall be made from and as security for such payment there is pledged, a special fund designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Bond Fund" (the "Bond Fund") containing the receipts upon the collection thereof from the special assessments (the "Assessments") levied against and secured by a lien upon the property in the District specially benefited by the Project, which fund shall be used for the full and prompt payment of the Bonds and the interest thereon, and shall be used for no other purpose whatsoever except as permitted by the Ordinance. Whenever there is a deficiency in the Bond Fund, the deficiency must be paid out of the special fund designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Bond Reserve Fund" in the priority specified in the Ordinance (the Assessments, the Bond Fund, the Bond Reserve Fund, such other special funds collectively, the "Trust Estate"). The Bonds are not payable from the sources identified in NRS 271.428, 271.495 and 271.500.

Pursuant to the Ordinance, the Trust Estate has been irrevocably pledged to and shall be used for the punctual payment of the principal of, premium, if any, and interest on the Bonds, and for payment of the continuing costs of the Bonds and the Trust Estate shall not be used for any other purpose while any of the Bonds remain outstanding. The pledge of the Assessments shall constitute a first and exclusive lien on the Assessments for the foregoing purposes in accordance with the terms of the Ordinance; provided that pursuant to the Act such lien is coequal with the latest lien on the real property in the District to secure the payment of general (ad valorem) taxes.

The City Treasurer shall collect, receive and enforce the payment of all Assessments made and levied for the Project, all interest thereon, and all penalties accrued, as provided by law and in the same manner and at the same time or times as prescribed by the Ordinance, the Financing Agreement and the other proceedings of the City relating thereto.

\*The Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. Upon surrender of any Bond at the principal office of the Registrar with a written instrument satisfactory to the Registrar duly executed by the registered owner or his or her duly authorized attorney, and receipt by the Registrar of the fees and charges provided in the Ordinance, such Bond may be exchanged for an equal aggregate principal amount of Bonds of other authorized denominations, subject to the terms and conditions set forth in the Ordinance.\*

\*This Bond is fully transferable by the registered owner hereof in person or by his or her duly authorized attorney on the registration records kept by the Registrar upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar, and upon the payment of the fees and charges provided in the Ordinance. Upon such transfer a new fully registered Bond or Bonds of authorized denomination or denominations of the same aggregate principal amount will be issued to the transferee in exchange for this Bond, subject to the terms and conditions set forth in the Ordinance.\*

\*The Registrar will not be required to transfer or exchange (i) any Bond during the period beginning at the opening of business fifteen days before the date of the mailing by the Registrar of a notice of redemption of Bonds and ending at the close of business on the date such

notice is mailed, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for redemption except the unredeemed portion of any Bond redeemed in part.\*

\*\*The Bonds shall not be transferable or exchangeable, except as set forth in the Ordinance.\*\*

The City, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the Ordinance with respect to Record Dates and Special Record Dates for the payment of interest) and for all other purposes, and neither the City, the Registrar nor the Paying Agent shall be affected by any notice to the contrary.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be modified or amended by action of the City taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance.

It is hereby certified, recited and declared that all acts, conditions and things essential to the validity of this Bond exist, have happened and have been done in due time, form and manner as required by law; that the total issue of the Bonds does not exceed the amount authorized by law nor the total unpaid special assessments levied to cover the cost of the Project; that this Bond is issued under the authority of the Act and that this Bond is incontestable for any cause whatsoever.

It is hereby further certified, recited and declared that the proceedings with reference to the Project, the levying of the assessments to pay the cost and expense of the Project and the issuance of the Bonds have been regularly had and taken in compliance with law, and that all prerequisites to the fixing of the assessment lien against the property benefited by the Project and of the liability of the owner or owners of such property therefor have been performed.

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

IN WITNESS WHEREOF, the City of Las Vegas, Nevada has caused this Bond to be signed and executed in the name of and on behalf of the City with the manual or facsimile

signature of the Mayor, to be countersigned with the manual or facsimile signature of the City Treasurer, and to be countersigned, subscribed, executed and attested with the manual or facsimile signature of the City Clerk, has caused the seal of the City or a facsimile thereof to be affixed hereon, and has caused this Bond to be dated as of the date specified above.

(For Manual or Facsimile Signature)  
Mayor

(For Manual or Facsimile Signature)  
City Treasurer

(MANUAL OR FACSIMILE SEAL)

Attested:

(For Manual or Facsimile Signature)  
City Clerk

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\* Insert only if Bonds are delivered pursuant to paragraph C of Section 8 of this Ordinance.

\*\* Insert only if Bonds are initially delivered to The Depository Trust Company pursuant to the first paragraph of Section 8 of this Ordinance.

(Form of Registrar's Certificate of Authentication)

Date of Registration: \_\_\_\_\_

This is one of the Bonds described in the above mentioned Ordinance and this Bond has been duly registered in the registration records kept by the undersigned as Registrar for the Bonds.

CITY TREASURER, CITY  
OF LAS VEGAS, NEVADA, as Registrar

By (Manual Signature) \_\_\_\_\_

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

**\*\***(Form of Prepayment Panel)

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

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

(End of Form of Prepayment Panel)\*\*

(Form of Assignment Provision)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within Bond on the records kept for the registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

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

Signature Guaranteed:

\_\_\_\_\_

Address of Transferee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security or other tax  
identification number of  
transferee:

\_\_\_\_\_

(End of Form of Assignment)

Section 11. When the Bonds have been duly executed and authenticated, they shall be delivered to the Purchaser on receipt of the agreed purchase price. The proceeds realized by the City from the sale of the Bonds (net of the Purchaser's discount) shall be applied as follows:

A. An amount equal to the Reserve Requirement shall be deposited in a special fund to be held by the City Treasurer and hereby created, to be designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Bond Reserve Fund."

B. An amount equal to sixteen days' interest on the Bonds shall be deposited in a special fund to be held by the City Treasurer and hereby created, to be designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Bond Fund".

C. The remainder of such proceeds shall be deposited in a special account to be held by the City Treasurer hereby created and to be designated as the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Construction Fund."

There are also hereby created the following special funds and accounts to be held by the City Treasurer and designated as:

A. "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Administration Fund."

B. "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Rebate Fund."

The Purchaser shall in no manner be responsible for the application by the City, or any of its officers, agents or employees, of any of the funds derived from the sale of the Bonds or of any other funds herein designated.

Amounts in all of such funds and account may be invested by the City in securities which are permitted investments for City funds under Chapter 355 of NRS. Investment income remains in such funds or account unless otherwise provided herein.

Section 12. The Construction Fund shall be a special fund held by the City Treasurer. All money in the Construction Fund shall be applied by the City for the payment of cost (as defined in the Act) of the acquisition and improvement of the Project, which includes the payment of the costs of issuance of the Bonds, all in accordance with the Financing Agreement.

The amount of any income realized from the investment of the money in the Construction Fund shall be retained in the Construction Fund or, at the option of the City, transferred to the Rebate Fund. When the acquisition and improvement of the Project have been completed, the City shall either (i) transfer any remaining balance of money in the Construction Fund to the Bond Fund or (ii) retain such balance in the Construction Fund to be applied for the payment of the cost of any additional projects permitted by the Act and agreed to by the City and the Developer pursuant to the Financing Agreement. Any such moneys transferred to the Bond Fund shall be credited against the Assessment Installments to become due and payable, with an appropriate payment to the owner of any assessed parcel whose Assessment has been paid in full.

Section 13. The City Treasurer is authorized, empowered and directed, and it shall be his or her duty, to receive, collect and enforce the payment of all Assessments made and levied for the Project, and all installments thereof, all interest thereon, and all penalties accrued, as provided by law and in the same manner and at the same time or times as prescribed by the Assessment Ordinance, and to pay and disburse said payments, the installments thereof, the interest thereon, and the penalties thereto, to the person or persons entitled thereto pursuant to the provisions of this Ordinance, the Financing Agreement and the Act. All moneys received from the Assessments, both principal and interest, shall be deposited in the Bond Fund (except to the extent required to replenish the Bond Reserve Fund). All moneys deposited in the Bond Fund shall be used as soon as the funds are available for the purpose of paying the principal of and the interest and prior redemption premiums on the Bonds as they become due and payable, and (except as herein and in the Financing Agreement provided) for no other purpose whatsoever, and the Bond Fund is hereby pledged as security for such purposes. Interest and other gain on moneys in the Bond Fund shall (i) prior to the completion of the acquisition and improvement of the Project (including any additional projects pursuant to Section 12 hereof) be transferred quarterly to the Construction Fund and (ii) after such completion be retained in the Bond Fund. Notwithstanding the foregoing, after June 1 of each fiscal year the interest portion of the Assessment Installments that is not used to pay the principal and interest on the Bonds shall be transferred from the Bond Fund to the Administration Fund and used to pay the reasonable administration and other expenses of the City in connection with the Bonds, the Assessments and the Project and for certain other purposes, all as provided in Section 2.5 and Section 2.7B of the Financing Agreement. The Bonds and the interest thereon shall be payable from the Bond Fund,

containing the receipts upon the collection of the Assessments and from the remainder of the Trust Estate. The Bonds are not payable from the sources identified in NRS 271.428, 271.495 and 271.500.

Section 14. A. Whenever there is a deficiency in the Bond Fund, the deficiency shall be paid from amounts in the Bond Reserve Fund. The Bond Reserve Fund shall be a special trust fund held by the City Treasurer as a continuing reserve to secure the payment of the Bonds by meeting possible deficiencies in the payment of the principal of and the interest on the Bonds resulting from the failure to deposit into the Bond Fund sufficient funds to pay the principal and interest on the Bonds as the same accrue. The City hereby pledges the Bond Reserve Fund for such purpose.

B. An amount equal to the Reserve Requirement shall be deposited to the Bond Reserve Fund from the proceeds of the Bonds. The Bond Reserve Fund will be used as additional security for the Bonds to pay any principal and interest on the Bonds when due, if the payments of the Assessment Installments are insufficient for that purpose.

C. All amounts in the Bond Reserve Fund in excess of the Reserve Requirement, derived from interest earned on amounts in the Bond Reserve Fund or otherwise shall be applied to the following in the following order of priority:

(1) First, when needed to pay the principal of and interest on the Bonds then due to the extent not provided from Bond proceeds including accrued interest or from the Assessment Installments and interest. Interest used under this clause to pay the principal of and interest on the Bonds shall be applied before a withdrawal is made from the balance in the Bond Reserve Fund.

(2) Second, when needed for transfer to the Administration Fund to pay all administrative and other expenses of the City associated with the Project, the Bonds or the Assessments.

(3) Third, at the time of any prepayment of any Assessment, to provide any refund then owed under paragraph E of this section.

(4) Fourth, at least annually commencing after the April 1, 2004 Assessment payment, used to call Bonds prior to their stated due dates or held in an account for payment of the Bonds at or prior to their due dates, whichever the Treasurer determines is in the

financial best interests of the City. No funds shall be applied as provided in this clause 4 unless they have been held in the Bond Reserve Fund for at least one year.

D. If because of any delinquent Assessment an amount is withdrawn from the Bond Reserve Fund to pay the principal of or interest on the Bonds, and that Assessment is later paid in whole or in part (or amounts are received at a foreclosure sale or otherwise as a result of enforcing the payment of the delinquent Assessment), to the extent available from that payment of the delinquent Assessment (including penalty and interest but after payment of costs of collection), an amount equal to the greater of (i) the amount withdrawn plus interest at the Assessment interest rate, or (ii) the amount necessary to restore the Bond Reserve Fund to the Reserve Requirement, shall be paid to the Bond Reserve Fund from the payment of the delinquent Assessment.

E. At the time the Assessment against any parcel of property is voluntarily paid in full, the person who owned the property at the time of the payment in full shall be entitled to a refund, in cash, equal to that property's pro rata share of the balance then in the Bond Reserve Fund, and the Reserve Requirement shall be recalculated to reflect the payment in full of that Assessment. Such refund, in cash or otherwise, shall be made only to the extent the balance in the Bond Reserve Fund after making the refund would not be less than the Reserve Requirement, as recalculated, but if this structure prevents all or a part of such a refund, that refund (or, an additional partial refund, as the case may be) shall be made if and when money is available in the Bond Reserve Fund to make the payment and as otherwise provided in paragraph C of this section. This section does not prevent the City from amending this Ordinance, the Assessment Ordinance or any other documents executed in connection with the Bonds to provide for other uses of the Bond Reserve Fund in connection with a refunding of the Bonds and the owners of the property assessed in the District have no entitlement to any amounts in the Bond Reserve Fund in the event of such an amendment.

Section 15. The Trust Estate is hereby irrevocably pledged to and shall be used for the punctual payment of the principal of, premium, if any, and interest on the Bonds, and for payment of the continuing costs of the Bonds as set forth in Section 13 hereof, and the Trust Estate shall not be used for any other purpose while any of the Bonds remain outstanding. The pledge of the Assessment Installments shall constitute a first and exclusive lien on the Assessment Installments for the foregoing purposes in accordance with the terms hereof;

provided that pursuant to the Act such lien is coequal with the latest lien on the real property in the District to secure the payment of general (ad valorem) taxes.

Section 16. There shall be deposited into the “City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Rebate Fund” any amounts paid by the City for deposit therein. The Rebate Fund shall be held by the City Treasurer, but shall not constitute part of the Trust Estate. Notwithstanding any other provision of this Ordinance or of the Financing Agreement, any investment income or other gain on moneys in the Construction Fund, the Bond Fund or the Bond Reserve Fund may be transferred to the Rebate Fund to enable the City to satisfy the requirements of Section 148(f) of the Code. Moneys in the Rebate Fund shall be paid to the United States by the City in the amounts and at the times required by the Code. Any excess moneys contained in the Rebate Fund shall be transferred to the Bond Fund. Upon payment of all amounts due to the United States pursuant to Section 148 of the Code, any moneys remaining in the Rebate Fund shall be transferred to the City’s general fund. Moneys in the Rebate Fund are not part of the Trust Estate.

Section 17. So long as any of the Bonds remain outstanding, the City will keep or cause to be kept true and accurate books of records and accounts showing full and true entries covering the collection and disposition of the Assessment Installments, as well as any delinquencies in the collection thereof, covering deposits in and disbursements from the Construction Fund, the Bond Fund, the Bond Reserve Fund and the Rebate Fund, and covering the payment of the principal of, premium, if any, and interest on the Bonds. The City will permit an inspection and examination of all records and accounts at all reasonable times by a representative of the Purchaser.

Section 18. Promptly upon a default in the due and punctual payment of any Assessment Installment due hereunder and under the Assessment Ordinance, the City Treasurer shall mark the Assessment Installment delinquent on the assessment roll for the District and shall notify the delinquent person of such delinquency in writing. Unless such Assessment Installment plus accrued interest and penalties thereon have been paid in full, within sixty days thereafter the Council shall direct the Treasurer of the City to give notice of the sale of the property subject to the lien of the delinquent Assessment Installment, or all of the Assessment with respect to such property if the Council has exercised its option to cause the whole amount of the unpaid Assessment with respect to such property to become due and payable (subject to the provisions

of Section 19 hereof), and shall sell such property as provided in and pursuant to the Act. In the event that the owner of such property does not prior to the day of sale pay the amount of all delinquent Assessment Installments, with accrued interest thereon and penalties and costs of collection (as further provided in the Assessment Ordinance) and such property is not sold to a third party purchaser at such sale, the property may be stricken off to the City and held in trust for the benefit of the District pursuant to the Act. Alternatively, the City may proceed with the collection or enforcement of any delinquent Assessment Installment, or the whole amount of the unpaid Assessment with respect to such property if the City has exercised its option to cause the whole amount of the unpaid Assessment with respect to such property to become due and payable (subject to the provisions of Section 19 hereof), by a foreclosure action brought in the district court located in and for the City. All proceedings supplemental to the judgment in any such foreclosure action, including appeal, period of redemption, sale and the issuance of a deed, shall be conducted in accordance with the law relating to property sold upon foreclosure of mortgages or liens upon real property, except that there shall be no personal liability upon the defendants for any deficiency in the proceeds of such sale.

Upon the sale of or foreclosure upon the real property which is the subject of such delinquent Assessment Installment, or upon the owner of such property paying prior to the date of sale the amount of all delinquent Assessment Installments, or after the date of sale all delinquent Assessment Installments or all of the Assessment if the Council has exercised its option referred to above, accrued interest thereon, penalties and costs of collection, the City shall deposit such moneys received in the Bond Fund or as otherwise required by the Financing Agreement.

Section 19. Upon a default in the due and punctual payment of an Assessment Installment and if sale or foreclosure proceedings are not promptly filed and diligently prosecuted by the City, then any registered owner may:

- A. file and prosecute a foreclosure action in the name of the City; and
- B. proceed against the City to protect and enforce the rights of the registered owners under the Act or hereunder by suit, action or special proceedings in equity or at law, either for the appointment of a receiver or for the specific performance of any provisions contained in the Act or herein or in an award of execution of any power granted for the

enforcement of any proper legal or equitable remedy as such registered owner may deem most effectual to protect and enforce the rights aforesaid.

All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all registered owners of the Bonds then outstanding. The failure of the registered owners so to foreclose upon the property which is the subject of such delinquent Assessment Installment, or so to proceed against the City, or both, shall not relieve the City or any of its officers, agents or employees of its duty so to take the actions set forth in Section 18.

Section 20. The City covenants for the benefit of the registered owners of the Bonds to comply with the provisions of the Continuing Disclosure Certificate in substantially the form presented to the Council at this meeting with only such changes therein, if any, as are not inconsistent herewith which the Mayor is authorized and directed to execute. The City shall enter into the Continuing Disclosure Agreement with the Developer in substantially the form presented to the Council at this meeting with only such changes therein, if any, as are not inconsistent herewith. The Mayor is hereby authorized and directed to execute the Disclosure Agreement and the City Clerk is hereby authorized and directed to affix the seal of the City to and to attest the Disclosure Agreement.

Section 21. A. The form, terms and provisions of the Bond Purchase Agreement be, and they hereby are, approved and the City shall enter into the Bond Purchase Agreement in substantially the form of such document presented to the Board at this meeting, with only such changes therein, if any, as are approved by the Finance Director of the City, such approval to be evidenced by the execution of the Bond Purchase Agreement by the Finance Director; and the Finance Director is hereby authorized and directed to execute and deliver the Bond Purchase Agreement, provided that the Bond terms and details are consistent with this Ordinance.

B. The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing:

(1) The printing of the Bonds, including, without limitation, the printing of such additional blank Bonds as shall be required by the Registrar; and

(2) The printing and distribution of the final official statement for the Bonds in substantially the form of the Preliminary Official Statement heretofore approved by the

Council, but with such amendments, additions and deletions as are in accordance with the facts and not inconsistent herewith; and

(3) The execution of such certificates as may be reasonably required by the Purchaser, relating, inter alia, to the signing and registration of the Bonds, the tenure and identity of the officials of the Council and the City, the delivery of the Bonds, the receipt of the purchase price for the Bonds, the exemption of interest on the Bonds from federal and state income taxation, and if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof. It shall be the duty of the proper officers of the City to hereafter take all action necessary for the City to comply with the provisions of the Act, as hereafter amended and supplemented from time to time.

C. The Finance Director is authorized to deem the Preliminary Official Statements final for purposes of SEC Rule 15c2-12.

Section 22. The City 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 City 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 for 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 such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Code have been met.

Section 23. The City covenants for the benefit of the registered owners of the Bonds that it will use its best efforts to apportion the Assessments in accordance with the Report heretofore filed with the City.

The City covenants that it will not reapportion the assessments pursuant to Section 5(b) of the Assessment Ordinance unless it makes the findings required by clause (i) and clause (ii) of such Section. The Council will not make the finding described in clause (i) of Section 5(b) of the Assessment Ordinance unless it first obtains a written report of a Qualified

Engineer certifying that, based on a Qualified Appraisal Report, the Value-to-Lien Ratio (including in the calculation thereof any increase in the Assessment on any parcel as a result of such combination or reapportionment) for each parcel of the property, if any, on which Assessments are increased as a result of such reapportionment is at least 3 to 1. The City Council will not make the finding described in clause (ii) of Section 5(b) of the Assessment Ordinance unless it first obtains a written report of a Qualified Engineer stating that the proposed combination or reapportionment of Assessments will not increase the principal balance of any Assessment to an amount such that the aggregate amount which is assessed against a tract exceeds the minimum benefit to the tract that is estimated to result from the project which is financed by the Assessment. In making either of the findings, the Council will be entitled to rely on the written report of a Qualified Engineer; and such written report shall be conclusive evidence of the conclusions set forth therein. The Council will not make either of the findings described above unless, as of the effective date of the proposed combination or reapportionment, there are no delinquencies in the payment of Assessment Installments on any parcels on which Assessments will be increased as a result of such combination or reapportionment.

The Council's determination that the apportionment is in accordance with the Report shall be conclusive and binding upon the owners of the property and the owners of the Bonds. The Council's approval of an apportionment report shall be deemed conclusively to constitute a finding that the apportionment is in accordance with the Report.

Section 24. The Council hereby finds and determines that the condition to the City's obligations under the Financing Agreement set forth in Section 1.7 thereof (i.e., receipt and review of an appraisal and absorption study) has been satisfied.

Section 25. A. This Ordinance may be amended or supplemented by an ordinance or ordinances adopted by the Council, without the receipt by the City of any additional consideration, with the written consent of the owners of not less than sixty-six per cent (66%) of the Bonds outstanding at the time of the adoption of such amendatory or supplemental ordinance, provided, however, that no such ordinance shall have the effect of permitting:

- (1) An extension of the maturity of any Bond authorized by this Ordinance; or
- (2) A reduction in the principal amount of any Bond or the rate of interest thereon; or

(3) The creation of a lien upon or a pledge of property, revenues or funds, ranking prior to the liens or pledges created by this Ordinance; or

(4) A reduction of the principal amount of Bonds required for consent to such amendatory or supplemental ordinance.

B. The City may, without the consent of or notice to the owners, adopt one or more ordinances supplemental hereto, which supplemental ordinances shall thereafter form a part hereof, for any one or more of the following purposes:

(1) To cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this ordinance, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this ordinance, or to make any provisions for any other purposes if, in each case, such provisions are necessary or desirable and do not adversely affect the interests of the owners of the Bonds; or

(2) To pledge additional revenues, properties or collateral as security for the Bonds; or

(3) To grant or confer upon the Registrar or Paying Agent for the benefit of the owners of the Bonds any additional rights, remedies, power or authorities that may lawfully be granted to or conferred upon the owners; or

(4) for the purpose of providing for the issuance of Refunding Bonds.

Section 26. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Council shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the Council may, upon notice mailed to each registered owner at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution or person serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution or person serve as both Registrar and Paying Agent hereunder.

Section 27. So long as any of the Bonds are Outstanding, the City may issue Refunding Bonds and may pledge a portion of the Assessments to the payment of such Refunding Bonds if (i) the Value-to-Lien Ratio of all of the Undeveloped Property subject to the

lien of the Remaining Assessments will in the aggregate be not less than 3.11:1 and (ii) the principal amount of the Remaining Assessments is not less than the principal amount of the Bonds remaining Outstanding after issuance of the Refunding Bonds. The requirement of NRS 271.488(8)(a) shall be deemed to have been met with respect to the issuance of Refunding Bonds which comply with this section. Upon the issuance of the Refunding Bonds, the Assessments pledged to the payment of the Refunding Bonds shall be released from and shall no longer constitute a part of the Trust Estate. In connection with the issuance of the Refunding Bonds, the City may transfer from the Reserve Fund to any fund or account of the City designated by the Council all or any portion of the amount in the Reserve Fund which will be in excess of the minimum requirement after issuance of the Refunding Bonds.

Section 28. So long as the Bonds or any portion thereof remain Outstanding, the City shall not levy Parity Assessments unless:

A. The Director of Public Works shall have delivered a certificate to the City Council at the time of approval of such Parity Assessments to the effect that (i) no portion of the project or projects for which such Parity Assessments are being levied are to be constructed within the exterior boundaries of the District, or if the project or projects for which such Parity Assessments are being levied are to be constructed within the exterior boundaries of the District, that not more than ten percent (10%) of the total amount of assessments being levied for such project or projects will be levied on property within the District, and (ii) the project or projects to be constructed would not have been required as a condition or requirement of development of land within the District based upon the City's development standards in existence as of April 1, 2003; or

B. The Parity Value-to-Lien Ratio of all of the assessable property within the District against which property Parity Assessments are to be levied will in the aggregate, immediately after such levy, be not less than 3:1.

Any certificate delivered by the Director of Public Works pursuant to subsection A above shall be final and conclusive as to the matters contained therein absent fraud.

Section 29. The Administration Fund shall be a special fund held by the City Treasurer, but shall not constitute part of the Trust Estate. All money in the Administration Fund shall be to pay the reasonable administration and other expenses of the City in connection with the Bonds, the Assessments and the Project. The amount of any income realized from the

investment of the money in the Administration Fund shall be retained in the Administration Fund or, at the option of the City and to the extent permitted by law, transferred to the Rebate Fund.

Section 30. All ordinances, resolutions, bylaws and orders, 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, resolution, bylaw or order, or part thereof, heretofore repealed.

Section 31. When first proposed, this Ordinance must be read to the Council by title, after which an adequate number of copies of this Ordinance must be deposited with the City Clerk for public examination and distribution. Notice of the deposit must be published once in a newspaper published and having general circulation in the City at least 10 days before the adoption of the Ordinance, such publication to be in substantially the following form:

(FORM OF PUBLICATION OF NOTICE OF DEPOSIT OF AN ORDINANCE)

**BILL NO.** \_\_\_\_\_  
**ORDINANCE NO.** \_\_\_\_\_

**AN ORDINANCE CONCERNING THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) AND AUTHORIZING THE ISSUANCE OF LOCAL IMPROVEMENT BONDS, SERIES 2003 FOR THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000 TO FINANCE THE ACQUISITION AND IMPROVEMENT OF A STREET PROJECT, STORM SEWER PROJECT, AND WATER PROJECT.**

PUBLIC NOTICE IS HEREBY GIVEN, and that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance are available for public inspection and distribution at the office of the City Clerk of the City of Las Vegas, at her office in City Hall, 400 Stewart Avenue, Las Vegas, Nevada, and that such Ordinance was proposed on April 16, 2003, and will be considered for adoption at a regular meeting of the City Council of the City of Las Vegas held on May 7, 2003.

/s/ Barbara Jo Ronemus  
City Clerk

(End of Form of Publication of Notice of Deposit of An Ordinance)

Section 32. After this Ordinance is 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 Las Vegas Review-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)

**ORDINANCE NO. \_\_\_\_\_**  
**(of Las Vegas, Nevada)**

**AN ORDINANCE CONCERNING THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) AND AUTHORIZING THE ISSUANCE OF LOCAL IMPROVEMENT BONDS, SERIES 2003 FOR THE CITY OF LAS VEGAS, NEVADA SPECIAL IMPROVEMENT DISTRICT NO. 809 (SUMMERLIN AREA) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000 TO FINANCE THE ACQUISITION AND IMPROVEMENT OF A STREET PROJECT, STORM SEWER PROJECT, AND WATER PROJECT.**

PUBLIC NOTICE IS HEREBY GIVEN, and that such Ordinance was proposed on April 16, 2003, and was passed at the meeting held on May 7, 2003, by the following vote of the City Council:

Those Voting Aye:                   Oscar B. Goodman  
  Gary Reese  
  Michael J. McDonald  
  Lynette Boggs McDonald  
  Larry Brown  
  Lawrence Weekly  
  Michael Mack

Those Voting Nay:                   \_\_\_\_\_

Those Absent:                         \_\_\_\_\_

This Ordinance shall be in full force and effect from and after May 11, 2003, i.e., the day after the publication of such Ordinance by its title only.

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

DATED this May 7, 2003.

/s/ Oscar B. Goodman  
Mayor

Attest:

/s/ Barbara Jo Ronemus  
City Clerk

(End of Form of Publication)

Section 33. If any section, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Proposed on April 16, 2003.

Proposed by Council member \_\_\_\_\_.

Vote:

Those Voting Aye: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Those Voting Nay: \_\_\_\_\_

Those Absent: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Approved as to Form:

*Madeleine P. Diekmann-Dilicco* 4-3-'03  
Deputy City Attorney Date

This Ordinance shall be in force and effect from and after May 11, 2003, i.e., the date after the publication of such Ordinance by its title only.

STATE OF NEVADA )  
 ) SS.  
CITY OF LAS VEGAS )

I, Barbara Jo Ronemus, the duly chosen, qualified and acting Clerk of City of Las Vegas, Nevada (the "City"), do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of an ordinance which was introduced at the meeting of the Council on April 16, 2003 and finally adopted and approved on May 7, 2003.

2. The following members of the Council were present at the April 16, 2003 Council meeting:

Mayor:	Oscar Goodman
Councilmembers	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

3. The foregoing Ordinance was first proposed and read by title to the City Council on April 16, 2003, and referred to a committee composed of the \_\_\_\_\_ for recommendation; thereafter the said committee reported favorably on said Ordinance on May 7, 2003, which was a regular meeting of said Council; that as said regular meeting, the proposed Ordinance was again read by title to the City Council and adopted. The members of the City Council were present at the April 16, 2003 meeting and voted upon the adoption of the Ordinance as follows:

Those Voting Aye:	Oscar B. Goodman
	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

Those Voting Nay: \_\_\_\_\_

Those Absent: \_\_\_\_\_

4. The original of the Ordinance has been approved and authenticated by the signatures of the Mayor of the City and myself as Clerk of the City, and sealed with the seal of the City, and has been recorded in the journal of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

5. All members of the Council were given due and proper notice of the meetings held on April 16, 2003 and May 7, 2003.

6. All members of the Council were given due and proper notice of the meetings. Pursuant to NRS § 241.020, written notice of the meeting including the time, place, location and agenda of the meeting was given by 9:00 a.m. at least three working days before the meeting.

7. By posting a copy of the notice at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held, and at least three other separate, prominent places within the jurisdiction of the Council, to wit:

- (a) Court Clerk's Office Bulletin Board  
City Hall Plaza  
Las Vegas, Nevada
- (b) City Hall  
Las Vegas, Nevada
- (c) Senior Citizens Center  
Las Vegas, Nevada
- (d) Clark County Government Center  
Las Vegas, Nevada
- (e) Downtown Transportation Center  
Las Vegas, Nevada

and

8. By mailing a copy of the notice to each person, if any, who has requested notice of the meetings of the Council in the same manner in which notice is required to be mailed to a member of the Council.

9. Copies of the notice of each such meeting as posted and mailed are attached hereto as Exhibit A.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of  
the City this May \_\_, 2003.

---

City Clerk

(SEAL)

**EXHIBIT A**

(Notice of April 16, 2003 City Council Meeting)

**EXHIBIT B**

(Notice of May 7, 2003 City Council Meeting)

**EXHIBIT C**

(Attach Affidavit of Publication of Notice of Deposit of the Bond Ordinance)

**EXHIBIT D**

(Attach Affidavit of Publication of Adoption of Bond Ordinance)

**NEW ISSUE (Book-Entry Only)**

**NO RATING**

*In the opinion of Swendseid & Stern, a member in Sherman & Howard L L C , Las Vegas, Nevada, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and such interest is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations Interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals by the Tax Code See "TAX MATTERS" herein*

**\$10,000,000\***

**CITY OF LAS VEGAS, NEVADA  
Special Improvement District No. 809 (Summerlin Area)  
Local Improvement Bonds, Series 2003**

**Dated: Date of Delivery**

**Due: June 1, as shown below**

The Bonds described herein are being issued by the City of Las Vegas, Nevada in order to finance the acquisition of certain public improvements specially benefiting property located within the City's Special Improvement District No 809 (Summerlin Area) The Bonds are being issued pursuant to the Nevada Consolidated Local Improvements Law and the City's Bond Ordinance, adopted on May 7, 2003

The Bonds are issuable in fully registered form and, when issued, will be registered in the name of Cede & Co , as nominee of The Depository Trust Company, New York, New York Individual purchases of Bonds may be made in principal amounts of \$5,000 and integral multiples thereof The Bonds will be in book-entry form only, and purchasers thereof will not receive certificates representing their beneficial ownership but will receive credit balances on the books of their respective nominees The Bonds will not be transferable or exchangeable except for transfer to another nominee of The Depository Trust Company or as otherwise described herein

Interest on the Bonds, which is payable on December 1, 2003 and semiannually thereafter on each June 1 and December 1, and the principal thereof, and premium, if any thereon, are payable to Cede & Co , and such payments are expected to be disbursed to the beneficial owners of the Bonds through their nominees

**The Bonds are subject to redemption prior to maturity as described herein.**

The Bonds are secured by certain pledged property, including special assessments secured by liens on property within the Special Improvement District and moneys and securities on deposit in specified funds established under the Bond Ordinance **The Bonds do not constitute a debt of the City, and the City shall not be liable thereon except from such pledged property. The full faith and credit of the City is not pledged to the payment of the Bonds; and the payment of the Bonds is not secured by any encumbrance, mortgage or other pledge of property of the City except the pledge of such property.**

THE BONDS ARE NOT RATED BY ANY RATING AGENCY, AND INVESTMENT IN THE BONDS INVOLVES RISKS WHICH MAY NOT BE APPROPRIATE FOR CERTAIN INVESTORS THEREFORE, ONLY PERSONS WITH SUBSTANTIAL FINANCIAL RESOURCES WHO UNDERSTAND THE RISKS OF INVESTMENT IN THE BONDS SHOULD CONSIDER SUCH AN INVESTMENT SEE THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "CERTAIN RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS

*This cover page contains certain information for quick reference only It is not a summary of the Bonds offered pursuant hereto Investors must read the entire Official Statement in order to obtain information essential to the making of an informed investment decision*

**MATURITY SCHEDULE\***

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <sup>†</sup>	<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <sup>†</sup>
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\$ \_\_\_\_\_ % Term Bonds Due June 1, \_\_\_\_ – Yield \_\_\_\_ %

*The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of Swendseid & Stern, a member in Sherman & Howard L L C , Las Vegas, Nevada, Bond Counsel, and to certain other conditions Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, for the City by the City Attorney and for the Developer, The Howard Hughes Corporation, by Jones Vargas, Las Vegas, Nevada It is anticipated that the Bonds will be available for delivery to The Depository Trust Company in New York, New York on or about June 25, 2003*

**Stone & Youngberg LLC**

Dated June \_\_, 2003

\* Preliminary, subject to change

† Copyright 2002 American Banker's Association Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction

**CITY OF LAS VEGAS, NEVADA**

**CITY COUNCIL**

Oscar B. Goodman, Mayor  
Gary Reese, Mayor Pro Tem  
Michael J. McDonald, Councilman  
Larry Brown, Councilman  
Lynette Boggs McDonald, Councilwoman  
Lawrence Weekly, Councilman  
Michael Mack, Councilman

---

**CITY OFFICIALS**

Douglas A. Selby, City Manager  
Bradford Jerbic, City Attorney  
Barbara Jo Ronemus, City Clerk  
Mark Vincent, Director of Finance  
Michael K. Olson, City Treasurer

---

**BOND COUNSEL**

Swendseid & Stern, a member in Sherman & Howard L.L.C.  
Las Vegas, Nevada

**FINANCIAL ADVISORS**

Hobbs, Ong & Associates, Inc  
Las Vegas, Nevada

Public Financial Management  
San Francisco, California

*Investment in the Bonds involves risks which may not be appropriate for certain investors. Therefore, only persons with substantial financial resources (in net worth and/or income) who understand (either alone or with competent investment advice) the risk of investment in the Bonds should consider such an investment.*

All information for investors regarding the City of Las Vegas, its Special Improvement District No 809 (Summerlin Area) and the Bonds is contained in this Official Statement. While the City maintains an internet website for various other purposes, none of the information available on this website is intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the City. No dealer, broker, salesperson or other person has been authorized by the City of Las Vegas, Nevada to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts. The information and expressions of opinion herein are subject to change without notice; and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or its Special Improvement District No 809 (Summerlin Area) or any matters discussed herein since the date hereof.

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The Underwriter has provided the following sentence for inclusion in this Official Statement.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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**CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS  
IN THIS OFFICIAL STATEMENT**

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No updates or revisions to those forward-looking statements are expected to be issued if or when the expectations, or events, conditions or circumstances on which such statements are based change.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL BONDS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES SET FORTH ON THE COVER PAGE HEREOF, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THEY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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## SUMMARY STATEMENT

**THIS SUMMARY STATEMENT IS SUBJECT IN ALL RESPECTS TO THE MORE COMPLETE INFORMATION AND THE DEFINITIONS FOUND IN THE ENTIRE OFFICIAL STATEMENT, AND THE OFFERING OF THE BONDS TO POTENTIAL INVESTORS IS MADE ONLY BY MEANS OF THE ENTIRE OFFICIAL STATEMENT.**

*Purpose:* The bonds described herein (the "Bonds") are being issued by the City of Las Vegas, Nevada (the "City") pursuant to the Nevada Consolidated Local Improvements Law (Chapter 271, Nevada Revised Statutes, as amended) and the City's Ordinance No. \_\_\_\_, adopted on May 7, 2003 (the "Bond Ordinance"), primarily to finance a portion of the cost of acquiring certain public improvements which specially benefit property located within the City's Special Improvement District No. 809 (Summerlin Area) (the "District")

*Security for the Bonds:* The Bonds are secured by assessments (the "Assessments") in an aggregate amount of \$10,000,000 levied by the City on certain property (the "Property") within the District (except to the extent that any such Assessments are released pursuant to the Bond Ordinance in order to secure refunding bonds). The Assessments represent liens on the respective parcels of the Property subject thereto; they do not, however, constitute a personal indebtedness of the respective owners of such parcels. Accordingly, in the event of a delinquency in the payment of an Assessment, proceedings may be conducted only against the portion of the Property securing the delinquent Assessment.

Installments of the Assessments and interest thereon (the "Assessment Installments") in an aggregate amount equal to at least one-half of the annual debt service on the Bonds are to be billed semiannually by the City for the payment of the principal of and interest on the Bonds and certain administrative expenses of the City. The Assessments and moneys and securities from time to time held by the City in the Bond Fund and the Bond Reserve Fund established pursuant to the Bond Ordinance (collectively, the "Trust Estate") are, pursuant to the Bond Ordinance, pledged to the payment of the principal and interest on the Bonds.

A reserve fund (the "Bond Reserve Fund") has been established pursuant to the Bond Ordinance and will be initially funded from proceeds from the sale of the Bonds in the amount of \$ \_\_\_\_\_ equal to the maximum principal and interest coming due on the Bonds in any twelve month period ending on June 1 (the "Reserve Requirement"). The amount of the Reserve Requirement will be reduced to reflect any credits or transfers required to be made from the Bond Reserve Fund in the case of prepayments of Assessments or refundings of the Bonds. The money on deposit in the Bond Reserve Fund will be a source of funds with which to pay principal of and interest on the Bonds in the event of delinquencies in the payment of Assessment Installments.

**The Bonds do not constitute a debt of the City, and the City will not be liable thereon except from the Trust Estate. The full faith and credit of the City is not pledged to the payment of the Bonds, and the payment of the Bonds is not secured by any encumbrance, mortgage or other pledge of property of the City except the Trust Estate.**

*Form of Bonds*

The Bonds are being issued in fully registered form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, which will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof.

*Payment of Interest*

Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2003.

*Redemption*

The Bonds are subject to mandatory redemption, including redemption from sinking fund payments, and optional redemption as described herein

*The District*

The District consists of Village 23A of the master planned community known as Summerlin. It includes approximately 300 assessable acres located within the corporate boundaries of the City in the northwest section of the Las Vegas Valley. All of the Property is also located within the boundaries of the City's Special Improvement District No. 808 (Summerlin Area) and is subject to unpaid assessments levied by the City in connection therewith in an aggregate amount of \$7,435,975 (collectively, the "S.I.D. No. 808 Assessments").

*The Project.*

Proceeds from the sale of the Bonds will be used to acquire certain street, water, sanitary sewer, storm drainage and other improvements, together with appurtenances and appurtenant work, of special benefit to the Property.

*The Developer.*

As of March 31, 2003, portions of the Property responsible for approximately 71% of the Assessments were owned by The Howard Hughes Corporation, a Delaware corporation, which has served as the master developer of Summerlin and expects to serve as the master developer of the Property.

*Property Values*

An appraisal of the Property, dated March 1, 2003 (the "Appraisal"), has been prepared by Continental Realty Advisers of Irvine, California (the "Appraiser"). The purpose of the Appraisal was to estimate the market value of the Property assuming, among other things, the installation of the improvements to be financed with the proceeds derived from the sale of the Bonds. According to the Appraisal, subject to the limitations set forth therein, as of February 15, 2003, the total estimated market value of the Property (under the premise that the development and marketing programs currently in place for the Summerlin community will be continued) was \$53,000,000 or approximately 5.30 times the aggregate Assessments applicable thereto and approximately 3.04 times the sum of the Assessments and S.I.D. No. 808 Assessments applicable thereto.

*The City.*

The City is an incorporated municipality and a body corporate and politic existing under the laws of the state of Nevada. The City was created by a special act of the Legislature in 1911. It is the county seat of Clark County and is the most populous city in the State.

**\$10,000,000\***  
**CITY OF LAS VEGAS, NEVADA**  
**Special Improvement District No. 809 (Summerlin Area)**  
**Local Improvement Bonds, Series 2003**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and the appendices hereto, is to provide certain information concerning the City of Las Vegas, Nevada, Special Improvement District No. 809 (Summerlin Area) Local Improvement Bonds, Series 2003 (the "Bonds").

The Bonds are being issued by the City of Las Vegas, Nevada (the "City") pursuant to the Nevada Consolidated Local Improvements Law (Chapter 271, Nevada Revised Statutes, the "Act" or the "Local Improvements Law") and the City's Ordinance No. \_\_\_\_, adopted on May 7, 2003 (the "Bond Ordinance") in order to finance the acquisition of certain public improvements (the "Project") of special benefit to property (the "Property") located in the City's Special Improvement District No. 809 (Summerlin Area) (the "District"). The District is located in the master planned community known as Summerlin. An aerial photograph of the Summerlin area appears on page \_\_, and the master plan for Summerlin is depicted on page \_\_.

The Property has been assessed to pay the estimated cost of the Project and certain financing costs related thereto pursuant to the City's Ordinance No. \_\_\_\_ (the "Assessment Ordinance"). The aggregate amount of such assessments (the "Assessments") is equal to the principal amount of the Bonds; and to the Bonds are secured by the Assessments as hereafter described under the "SECURITY FOR THE BONDS." All of the Property is also included within the boundaries of the City's Special Improvement District No 808 (Summerlin Area) and is subject to unpaid assessments (the "S.I.D. No 808 Assessments") in an aggregate amount of \$7,435,975.

As of March 31, 2003, portions of the Property responsible for approximately 71% of the Assessment are owned by The Howard Hughes Corporation, a Delaware corporation, which is expected to serve as the master developer of the land within the District. The Howard Hughes Corporation and various affiliated entities, all of which are owned directly or indirectly by The Rouse Company, are the owners of substantially all of the undeveloped land within the planned community known as Summerlin. The term "Developer" as used in this Official Statement, sometimes refers to The Howard Hughes Corporation individually, and sometimes to The Howard Hughes Corporation and its affiliated companies collectively.

An appraisal of the Property, dated March 1, 2003 (the "Appraisal"), has been prepared by Continental Realty Advisors of Irvine, California (the "Appraiser"). The purpose of the Appraisal was to ascertain the market value of the Property assuming, among other things, the installation of the Project. According to the Appraisal, subject to the limitations set forth therein, as of February 15, 2003, the estimated market value of the Property under the premise that the development and marketing programs currently in place in connection with the Summerlin community will be continued was \$53,000,000, or approximately 5.30 times the amount of the Assessments and approximately 3.04 times the sum of the Assessments and the S.I.D. No. 808 Assessments. A copy of the Appraisal is attached hereto as Appendix C. Certain considerations relating to the value of the Property are discussed under the headings "SECURITY FOR THE BONDS" and "CERTAIN RISK FACTORS."

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\* Preliminary, subject to change

There follow brief descriptions of the Bonds, the District, the Project, and certain other matters. Summaries of the Development and Financing Agreement, dated as of February 1, 2003, between the City and the Developer (the "Development and Financing Agreement"), the Bond Ordinance and the Assessment Ordinance are set forth in Appendix A. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to any of the aforesaid documents are qualified in their entirety by reference to the forms thereof, which are available for inspection at the office of the Treasurer of the City in Las Vegas, Nevada. Capitalized terms not defined herein shall have the respective meanings ascribed to them in Appendix A hereto or, if not defined in Appendix A, the meanings ascribed to them in the Bond Ordinance.

## THE BONDS

### Authority for Issuance

Proceedings for the formation of the District were commenced pursuant to a petition filed with the City by the Developer pursuant to the Local Improvements Law. Pursuant to the Development and Financing Agreement, the Developer agreed that the District could be created, the Assessments could be levied and, for all other purposes relating to the District, the City could proceed in accordance with the expedited procedures contained in Sections 271 710 *et seq* of the Local Improvements Law. The City agreed to proceed with the financing of the Project by levying the Assessments upon the Property and issuing the Bonds.

Following the receipt of certain plans and specifications and reports concerning the District and the Project, the City Council formed the District, authorized the acquisition of the Project, and assessed the costs and expenses thereof against the Property. Assessments in a total principal amount equal to the total principal amount of the Bonds were confirmed by such actions. The Bonds were authorized to be issued pursuant to the terms of the Bond Ordinance.

### General Provisions

The Bonds will be dated the date of their delivery to the Underwriter (the "Dated Date") and bear interest at the rates, and mature on the respective dates and in the respective amounts set forth on the cover of this Official Statement. The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 and any integral multiple thereof. See the subsection hereof entitled "Book-Entry System."

The Bonds will bear interest from the Dated Date at the respective rates shown on the cover of this Official Statement. Such interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable on June 1 and December 1 of each year commencing December 1, 2003 (each such date, and "Interest Payment Date"). The City Treasurer will serve as the initial Paying Agent and Registrar with respect to the Bonds.

### Book-Entry System

DTC will act as securities depository for the Bonds, and the Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC. *So long as Cede & Co. is the registered owner of the Bonds, references herein to the Owners or Holders of the*

*Bonds shall mean Cede & Co and shall not mean the actual purchasers of the Bonds (the “Beneficial Owners”).*

Payments of principal, premium, if any, and interest on the Bonds will be paid by the Paying Agent to DTC, which is obligated in turn to remit such payments to its participants for subsequent disbursement to the Beneficial Owners. *The City does not give any assurance that DTC, its participants or others will distribute payments with respect to the Bonds or notices concerning them to the Beneficial Owners or that DTC will otherwise serve and act in the manner described in this Official Statement.*

See Appendix D for a further description of DTC and its book-entry system. The information presented therein concerning DTC and DTC’s book-entry system is based solely on information provided by DTC, and no representations are made by the City concerning the accuracy or completeness thereof

**Redemption**

*Optional Redemption* The Bonds are subject to redemption prior to their fixed maturity dates at the option of the City from any legally available funds (including, but not limited to, proceeds from the sale of refunding bonds) on any Interest Payment Date, in whole or in part, upon notice as hereinafter described, at a redemption price equal to the sum of the principal amount of each Bond, or the portion thereof so redeemed, and accrued interest thereon to the date of redemption, plus a redemption premium equal to the percentage of the principal amount to be redeemed set forth below:

<i>Redemption Dates</i>	<i>Redemption Premium</i>
	%

*Redemption from Prepaid Assessments* Any Assessment which is voluntarily prepaid shall be used to redeem Bonds on the next Interest Payment Date which is at least 60 days after receipt of such prepayment, provided that the amount of any such prepaid Assessment which is less than \$5,000 and which cannot be used to redeem Bonds on such Interest Payment Date may be used to pay principal of or interest on the Bonds due on such Interest Payment Date; and provided further that all or any portion of such prepaid Assessment may be used to pay principal of or interest on the Bonds if necessary to avoid or cure a default in the payment thereof. Redemptions of Bonds resulting from voluntary prepayments of Assessments shall be effected on the same terms and conditions described above under the caption “Optional Redemption ”

*Mandatory Sinking Fund Redemption* The Bonds maturing on June 1, \_\_\_\_ (the "Term Bonds"), or portions thereof in integral multiples of \$5,000, are also subject to mandatory sinking fund redemption on June 1 of each year, commencing on June 1, \_\_\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium, as follows:

<i>Mandatory Sinking Fund Redemption Date (June 1)</i>	<i>Principal Amount of Bonds To Be Redeemed</i>
	\$

(maturity)

At its option, to be exercised on or before the sixtieth day next preceding each sinking fund redemption date, the City may (i) deliver to the Registrar for cancellation, Term Bonds in an aggregate principal amount desired by the City or (ii) specify a principal amount of Term Bonds which prior to such date have been redeemed (other than through the operation of the sinking fund) and cancelled by the Registrar or the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portion thereof so delivered or previously redeemed will be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such sinking fund redemption date and any excess over such amount shall be credited against future sinking fund redemption obligations of the City in any order specified by the City.

*Selection of Bonds for Redemption* If less than all of the Bonds are to be redeemed on any Interest Payment Date (other than as a result of mandatory sinking fund redemption), the Bonds to be redeemed shall be selected proportionately from each outstanding maturity of the Bonds (including any mandatory sinking fund installment) unless the City Treasurer determines that the Assessment Installments will be sufficient to pay the principal and interest coming due on the Bonds which would remain outstanding using a different method of selecting Bonds to be redeemed on each Interest Payment Date subsequent to the redemption date

*Redemption Procedures* Unless waived by the Owner of a Bond to be redeemed, notice of redemption shall be given by the Registrar in the name of the City by mailing such notice at least 15 days and not more than 60 days prior to the redemption date, by first class mail, postage pre-paid, to the registered Owner of the Bond to be redeemed (initially Cede & Co) at its address as shown on the registration records of the Registrar. Notice of redemption may contain a statement that the redemption described therein is conditioned upon the receipt by the Paying Agent, on or before the date fixed for redemption, of funds sufficient to pay the redemption price of the Bonds so called for redemption and that if such funds are not available the redemption shall be cancelled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was given. Neither the failure to give a notice of redemption to the Owner of any Bond nor any defect in such notice will affect the validity of the proceedings for the redemption of any Bonds or portions thereof. If notice of redemption is duly given and money for the payment of the applicable redemption price is held by the Paying Agent, then on the redemption date the Bonds to be redeemed will become payable at such redemption price, and from and after the redemption date, interest will cease to accrue thereon. In the case of a partial redemption of a Bond, the Registrar will execute and deliver to the Owner thereof a new Bond or Bonds representing the unredeemed principal portion of the surrendered Bond.

**Debt Service Schedule**

The following table sets forth the annual debt service for the Bonds.

<i>Year Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
	\$	\$	\$
Totals	<u>\$10,000,000</u>	<u>\$</u>	<u>\$</u>

**SOURCES AND USES OF FUNDS**

The following table sets forth the sources and estimated uses of proceeds derived from the sale of the Bonds.

Sources:		
Principal Amount of Bonds	\$	10,000,000.00
Less: Original Issue Discount		<u>( )</u>
Total	\$	<u>                    </u>
Uses		
Bond Reserve Fund <sup>(1)</sup>	\$	
Bond Fund <sup>(2)</sup>		
Construction Fund <sup>(3)</sup>		
Underwriter's Discount		<u>                    </u>
Total	\$	<u>                    </u>

<sup>(1)</sup> Equals the Reserve Requirement as of the date of issuance of the Bonds

<sup>(2)</sup> Equals sixteen (16) days' interest on the Bonds

<sup>(3)</sup> Includes approximately \$ \_\_\_\_\_ to pay the costs of issuing the Bonds

## LIMITATION OF LIABILITY

The amounts on deposit in the Bond Fund and the Bond Reserve Fund established under the Bond Ordinance constitute the only available funds of the City to be used for payment of the Bonds in the event of delinquency in the payment of the Assessment Installments. Upon depletion of the moneys in those funds, neither the Owners nor any other person, corporation or association will have any right at law or equity to compel the City, by mandamus or otherwise, to advance or expend any other moneys of the City for payment of the Bonds during the pendency of such delinquencies. The City will only be required to either cause the sale of the delinquent parcel or prosecute foreclosure proceedings as set forth in the Bond Ordinance. See "SECURITY FOR THE BONDS — Sale and Foreclosure Proceedings"

The Bonds do not constitute a debt of the City; and the City shall not be liable thereon except from (a) the Assessments (except to the extent that any Assessment is released from the Trust Estate pursuant to the Bond Ordinance in order to secure refunding bonds), including all interest and penalties, if any, thereon and the right to enforce the same, all upon the terms and conditions set forth in the Bond Ordinance, (b) all moneys and securities from time to time held in the Bond Fund and the Bond Reserve Fund, and (c) any and all other real or personal property of every name and nature specially pledged as additional security for the Bonds (the "Trust Estate").

**The full faith and credit of the City is not pledged to the payment of the Bonds; and the payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City except the pledge of the Trust Estate.**

## SECURITY FOR THE BONDS

### Assessments

The payment of the amount of each Assessment, including each installment thereof, the interest thereon and any penalties and collection costs is secured by an assessment lien upon the applicable parcel of Property. Such lien is coequal with the latest lien thereon to secure the payment of general (*ad valorem*) property taxes and the lien that secures the S.I.D. No 808 Assessments, is not subject to extinguishment by the sale of any property on account of the nonpayment of general (*ad valorem*) property taxes and is prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments and general (*ad valorem*) property taxes. The Assessments are pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds, and, as received by or otherwise credited to the City, will immediately be subject to the lien of such pledge

Assessments may be released from said pledge and pledged instead to secure Refunding Bonds. See "CERTAIN RISK FACTORS — Partial Refunding of Bonds."

Although the Assessments constitute liens upon the parcels that comprise the Property, they do not constitute a personal indebtedness of the owners of said parcels. There can be no assurance as to the financial or legal ability, or the willingness, of such property owners to pay the Assessments. Although as of March 31, 2003 the Developer owned Property responsible for approximately 71% of the total Assessment, the Developer hopes to sell most of such property, and there is no legal requirement that an Assessment must be prepaid upon the sale of the property to which it applies. Thus, there can be no assurance that the Developer will continue to be the payor of any Assessments

All Assessment Installments will be invoiced through special assessment bills administered by the City. See APPENDIX A "DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS — THE ASSESSMENT ORDINANCE." Assessment Installments are to be collected until the Assessment

against each parcel is paid or prepaid in full. All Assessment Installments (including interest and penalties thereon) received by the City are to be deposited in the Bond Fund (except to the extent required to replenish the Bond Reserve Fund). All moneys deposited in the Bond Fund shall be used as soon as the funds are available for the purpose of paying the principal of and the interest and prior redemption premiums on the Bonds as soon as they become due and payable, provided that, after each June 1, the interest portion of the Assessment Installments that is not used to pay the principal and interest on the Bonds shall be transferred from the Bond Fund to the Administration Fund and used to pay the reasonable administration and other expenses of the City in connection with the Bonds, the Assessments, and the Project and for certain other purposes. See APPENDIX A “DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS — THE BOND ORDINANCE — Funds and Accounts.”

The interest rate applicable to the Assessments may be up to 100 basis points (one percentage point) higher than the highest rate of interest on the Bonds, and the aggregate amount of the Assessment Installments to be billed to the owners of the Property within the District each year will be higher than the scheduled payment of principal of and interest on the Bonds payable from such Assessment Installments. The following table compares the scheduled Assessment Installments for each Bond Year with the scheduled payments of principal of and interest on the Bonds payable from such Assessment Installments assuming the 100 basis point differential described above. The amount of the excess each year will be available to cover delinquencies in the payment of scheduled Assessment Installments, to pay costs of the administration and to be applied as a credit against future Assessment Installments.

**COMPARISON OF ESTIMATED ASSESSMENT INSTALLMENTS  
AND BOND PAYMENTS**

<i>Year Ending (June 1)</i>	<i>Expected Assessment Installments<sup>(1)</sup></i>	<i>Estimated Debt Service</i>	<i>Available for Admin Exp and Credit</i>	<i>Debt Service Coverage<sup>(2)</sup></i>
	\$	\$	\$	%

Source “Expected Assessment Installment Billings” – Assessment Management Group, Inc , “Estimated Debt Service” – Stone & Youngberg LLC

(1) Assumes that the interest rate applicable to the Assessments is 100 basis points over the highest interest rate of the Bonds and that no credits are given for investment earnings

(2) “Expected Assessment Installments” divided by “Scheduled Debt Service,” expressed as a percentage

The Bonds do not constitute a debt of the City, and the City shall not be liable thereon except as provided in the Bond Ordinance. In the event of a delinquency in the payment of any Assessment Installment, the City will not have any obligation with respect to the Bonds other than to apply available funds in the Bond Reserve Fund and the Bond Fund and to commence and pursue, or cause to be commenced and pursued, sale or foreclosure proceedings with respect to the property in question (but only if and to the extent the commencement and pursuit of sale or foreclosure proceedings is required pursuant to the Bond Ordinance, see "Sale and Foreclosure Proceedings" below).

### **Property Values**

The extent to which the Assessments provide security for the Bonds is, at least in part, a function of the value of each of the parcels that comprise the Property. The Appraisal, a copy of which is set forth in Appendix C, provides an estimate of the value of the Property as a whole. As of the February 15, 2003 date of value used in the Appraisal, none of the four parcels that the Developer had released for sale had been sold. However, each of them has subsequently been sold by the Developer to a merchant builder; and certain information concerning them is presented below.

The estimated market value of the Property that is reported in the Appraisal is based on a development approach for the Property that included aspects of the income, market and cost approaches to determining value. First, the Appraiser found comparable land sales that the Appraiser believed are representative of the market value of land parcels similar to the parcels that comprise the Property. The Appraiser then utilized a discounted cash flow model, estimating the absorption period of the individual land parcels as well as the entire project, and discounted the value back to present dollars. Based upon the methodology and assumptions set forth in the Appraisal, under the premise that the development and marketing programs for the Property that are currently in place with respect to the Summerlin community will be continued, the estimated market value of the property as of February 15, 2003 was \$53,000,000.

As of March 31, 2003, the Developer had sold four parcels within the District. A diagram showing their location within Village 23 and the location of certain parcels owned by the Developer as of March 31, 2003 appears on page \_\_. The following table shows for each such parcel and for the remainder of the Developer's ownership, the name of the owner, the parcel in question, its net assessable acreage, its allocated share of the appraised value of the entire Property (based on net assessable area), the amount of the Assessment, the amount of the S I D No. 808 Assessment and the ratio of allocated share of value to the sum of the applicable Assessment and S I D No. 808 Assessment.

Owner	Parcel	Net Assessable Acreage	Allocated Share of Value <sup>(1)</sup>	Assessment	SID No 808 Assessment	Value-to-Lien Ratio <sup>(2)</sup>
The Howard Hughes Corporation	E	23.44	\$ 4,130,739.82	\$ 779,384.92	\$ 579,548.75	3.04
William Lyon Homes	D	25.4	4,476,142.98	844,555.33	628,009.32	3.04
The Howard Hughes Corporation	C	17.32	3,052,236.08	575,893.64	428,233.12	3.04
The Howard Hughes Corporation	A	15.93	2,807,281.80	529,675.85	393,865.68	3.04
The Howard Hughes Corporation	B	15.33	2,701,546.13	509,725.72	379,030.82	3.04
Greystone Homes	H	19.48	3,432,884.46	647,714.09	481,638.64	3.04
Pulte Homes	G	18.86	3,323,624.27	627,098.96	466,309.28	3.04
The Howard Hughes Corporation	F	20.55	3,621,446.38	683,291.81	508,094.14	3.04
The Howard Hughes Corporation	K	20.14	3,549,193.68	669,659.23	497,956.99	3.04
KB Homes	I	22.80	4,017,955.11	758,104.79	563,724.90	3.04
The Howard Hughes Corporation	Remainder	<u>101.50</u>	<u>17,886,949.29</u>	<u>3,374,895.66</u>	<u>2,509,563.70</u>	3.04
	Total	300.75	\$53,000,000.00	\$ 10,000,000.00	\$7,435,975.34	
APPRAISED "AS-IS" VALUE		\$53,000,000				

Sources The City for "Net Assessable Acreage," "Allocated Share of Value," "Assessment," and "SID No 808 Assessment" and the Developer for "Owner" and "Parcel."

- (1) The Appraisal reports a single market value for all of the Property. That value has been allocated to various portions of the Property based upon their respective shares of the total amount of net assessable acreage within the District.
- (2) "Allocated Share of Value" divided by the sum of "Assessment" plus "SID No 808 Assessment"

It is a condition to the issuance of the Bonds that the Appraiser deliver a certificate to the effect that nothing has come to its attention that would lead it to believe that the market values of the Property are less than the values reported in the Appraisal.

The Appraiser was selected by the Developer, and the Developer is responsible for the payment of the Appraiser's fees.

The Appraisal merely indicates the Appraiser's opinion as to the market value of the land referred to therein as of the date and under the conditions specified therein. The Appraisal is specifically made subject to certain assumptions. Perhaps most importantly, the estimated market value based on the development approach assumes that the development and marketing programs currently in place with respect to the Summerlin community will be continued. In order for the current development program to remain in place, it will be necessary for the Developer to advance the funds necessary to complete the Project, since proceeds derived from the sale of the Bonds are to be used only to acquire the Project from the Developer upon completion of various segments thereof. See "CERTAIN RISK FACTORS — Development Uncertainties - Financing." Moreover, continuation of the current development program is

dependent upon the continued availability of water and sewer service; and the Appraisal is specifically based in part on the assumption that adequate water supplies will be available on a long-term basis. See "CERTAIN RISK FACTORS — Availability of Water Service" and "— Availability of Sewer Service." A list of the other assumptions upon which the values indicated in the Appraisal are based is contained in Appendix C. If any of the Appraiser's assumptions are not realized, the value of the Property may be less than estimated in the Appraisal

The Appraisal refers to and relies upon a report concerning the Las Vegas housing market that was prepared for the Developer by Restrepo Consulting Group, L.L.C. A copy of Restrepo Consulting Group, L.L.C.'s report is on file with the City.

As the Property is subdivided, the Assessment is expected to be apportioned to the subdivided parcels generally in accordance with the methodology set forth in the Assessment Ordinance. That methodology ascribes to each parcel of Property a share of the total Assessment based upon the percentage of the net-net assessable area of the Property that is represented by each subdivided parcel, except that each lot within any single family residential development will be assessed the same amount as every other lot within the same project. See APPENDIX A "DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS — THE ASSESSMENT ORDINANCE — Apportionment of Assessments." However, in reaching the opinion of value that is set forth in the Appraisal, the Appraiser concluded that different portions of the Property will have different values per acre depending upon, among other things, their anticipated land uses. Thus, because the Assessment will be apportioned primarily on the area of the subdivided parcels but the value of the subdivided parcels will vary depending on various factors including land use, the ratio of the estimated value of the various parcels to the Assessment applicable thereto will not be uniform but will vary depending upon factors such as the applicable land use

### **Collections of Assessments and Delinquencies**

The City has responsibility for, among other things, collecting the Assessment Installments and commencing sale or foreclosure proceedings as necessary. The Assessment Installments will not be collected along with regular property taxes, but rather will be billed directly to the owners of the parcels in question. Therefore, delinquencies in the payment of general property taxes may not be indicative of delinquencies which might be expected in connection with the collection of Assessment Installments.

Commencing with the billings which were mailed in the fall of 1994, the City contracted with a private firm, Assessment Management Group, Inc. ("AMG"), to prepare and mail the bills and to monitor and report to the City with respect to collections and delinquencies. Assessment Installments are still payable to the City, and collections are deposited into the City's bank accounts from which they are transferred to the City Treasurer for deposit into the Assessment Fund. AMG provides similar services for 37 other special improvement districts within the City and a total of 73 other similar districts located in Clark and Douglas Counties and the Cities of Reno and North Las Vegas. It is currently responsible for the collection of assessments applicable to approximately 33,000 parcels

Delinquency information with respect to the collection of assessments within the Summerlin community as of June 30, 2002 is set forth in the following table.

***City Collected Assessments – Summerlin***

<i>Fiscal Year Ended</i>	<i>Special Assessment Billings</i>	<i>Cumulative Special Assessment Collections</i>	<i>Ratio of Collections To Billings</i>
1998	\$10,199,357	\$10,199,357	100.00%
1999	10,084,640	10,084,155	99.99
2000	9,917,029	9,916,227	99.99
2001	9,940,118	9,937,497	99.97
2002	<u>14,307,347</u>	<u>14,267,406</u>	99.72
Totals	\$54,448,491	\$54,404,642	99.91

Source Assessment Management Group, Inc

**Sale and Foreclosure Proceedings**

Upon the failure of a property owner to pay an Assessment Installment when due the City has the option to either commence foreclosure proceedings on the amount of the delinquent Assessment Installment or cause the whole amount of the applicable Assessment to become due and payable immediately. The City may exercise its option to cause the whole amount of the Assessment to become due and payable immediately by the commencement of foreclosure or sale proceedings on the whole amount of the Assessment, and it is currently the policy of the City to exercise said option except in cases where the owner of the subject parcel is the subject of a proceeding in bankruptcy. Whether or not such option is exercised, the amount of the unpaid principal and accrued interest shall bear a penalty at the rate of 2% (or at any higher rate authorized by statute or any lower rate, which may be 0%, for such period as determined by the City Treasurer) per month (not prorated for any portion of the month) until the day of sale or until paid. In the event of the failure on the part of the Developer, or on the part of any merchant builder that has purchased property from the Developer or any of its successors in interest, to pay, on or before the date on which the same becomes due, any installment (either principal or interest) of the assessment against any lot or parcel that is then owned by it, but such delinquency is not cured within such fifteen day period, the Developer or such merchant builder, as the case may be, shall pay, in addition to such delinquent installment, a penalty that is equal to 2% of the whole amount of the unpaid principal and the interest that has accrued thereon, prorated based upon a thirty day month, for the number of days during which such delinquency existed. At any time prior to the date of the sale, the owner of the property, including without limitation the Developer, may pay the aggregate amount of all delinquent installments originally becoming due on or before the date of said payment, with accrued interest thereon and all penalties and costs of collection accrued, and shall thereupon be restored to the right thereafter to pay in installments in the same manner as if default had not been suffered.

In the event that any lot, tract or parcel of land assessed is delinquent in the payment of its Assessment or any installment of principal or interest, the City Treasurer promptly (but in no event later than 45 days after the installment due date) shall mark the Assessment Installment delinquent on the assessment roll for the District and shall notify the owner of such delinquent property, if known, in writing of such delinquency, by first-class mail, postage prepaid, addressed to the addressee's last-known address. Unless such Assessment Installment plus accrued interest and penalties thereon have been paid in full, the City Treasurer shall enforce the collection of the delinquent assessment with the other taxes in the general assessment roll of the City and in the same manner. Alternatively, the City may proceed with the collection or enforcement of any delinquent Assessment Installment, or the whole amount of the Assessment with respect to such property if the City has exercised its option to cause the whole amount of

said Assessment to become due and payable, by a foreclosure action brought in the district court in and for the county in which the City is located. All proceedings supplemental to the judgment in any foreclosure action, including appeal, period of redemption, sale and issuance of a deed, are to be conducted in accordance with the law relating to property sold upon foreclosure of mortgages or liens upon real property, except that there shall be no personal liability upon the property owners for any deficiency in the proceeds of such sale

The City conducts sale proceedings semi-annually in January and July of each year. All parcels that the City has offered for sale in connection therewith have been successfully sold for at least the full amount of the applicable Assessments. However, in some cases the City has been delayed in offering parcels for sale because the owners thereof have filed for bankruptcy protection. See "CERTAIN RISK FACTORS — Enforcement Delays - Bankruptcy." Under no circumstances is the City required to bid for, or otherwise become the owner of any parcel with a delinquent Assessment Installment

### **Prosecution of Foreclosure Actions by Owners and Other Remedies.**

If any such sale or foreclosure proceedings are not promptly filed and diligently prosecuted by the City, any Owner may file and prosecute a foreclosure action in the name of the City. Any Owner may also proceed against the City to protect and enforce the rights of the Owners under the Assessment Ordinance and the Act by suit, action or special proceedings in equity or at law either for the appointment of a receiver or for the specific performance of any provision contained in the Assessment Ordinance or in the Act or in an award of execution of any power granted in the Assessment Ordinance for the enforcement of any proper legal or equitable remedy as such Owner may deem most effectual to protect and enforce the aforesaid rights. All such proceedings shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds then outstanding. The failure of Owners to so foreclose upon the property which is the subject of such delinquent Assessments or to proceed against the City, or both, shall not relieve the City or any of its officers, agents or employees of any duties to take the actions described hereinabove

### **Bond Reserve Fund**

The Bond Ordinance establishes a Bond Reserve Fund which will be held by the City Treasurer and into which there will be initially deposited from the proceeds of the sale of the Bonds the amount so indicated under the heading "SOURCES AND USED OF FUNDS." Said amount is the Reserve Requirement as of the date of issuance of the Bonds, but the amount of the Reserve Requirement may be reduced to reflect credits or transfers required to be made from the Bond Reserve Fund in connection with the voluntary prepayment of Assessments or the issuance of Refunding Bonds

The Bond Reserve Fund is a special trust fund to be held by the City Treasurer as a continuing reserve to secure the payment of the Bonds by meeting possible deficiencies in the payment of the principal of and the interest on the Bonds resulting from the failure to deposit into the Bond Fund sufficient funds to pay such principal and interest as the same accrue.

If because of any delinquent Assessment an amount is withdrawn from the Bond Reserve Fund to pay the principal of or interest on the Bonds, and that Assessment is later paid in whole or in part (or amounts are received at a foreclosure sale or otherwise as a result of enforcing the payment thereof), there shall be credited to the Bond Reserve Fund, to the extent available from that payment (including penalty and interest, but after a payment of costs of collection), the amount necessary to restore the Bond Reserve Fund to the Reserve Requirement.

Amounts in the Bond Reserve Fund in excess of the Reserve Requirement shall be applied to the following in the following order of priority. First, such amounts shall be applied to pay the principal of and interest on the Bonds then due to the extent that such payment is not provided from Bond proceeds or from Assessment Installments and interest. Second, such amounts shall be transferred to the Administration Fund if and to the extent necessary to pay administrative and other expenses of the City associated with the Project, the Bonds or the Assessments. Third, such amounts shall be applied to any refund then owed in connection with the prepayment of any Assessment as described below. Finally, at least annually, commencing after the April 1, 2004 Assessment payment, such amounts shall be used to call Bonds prior to their stated maturity dates or shall be held in an account for payment of the Bonds at or prior to their maturity dates, whichever the City Treasurer determines is in the financial best interests of the City, provided that no such funds shall be so applied unless they have been held in the Bond Reserve Fund for at least one year.

At the time any Assessment is voluntarily paid in full, the person who owned the parcel subject to such Assessment at the time of the prepayment will be entitled to a refund, in cash, equal to that parcel's *pro rata* share of the balance then in the Bond Reserve Fund; and the Reserve Requirement shall be recalculated to reflect the payment in full of that Assessment. Such refund will be made only to the extent the balance in the Bond Reserve Fund, after making the refund, would be not less than the Reserve Requirement, as recalculated, provided that, to the extent the foregoing provision prevents a refund in full, the deficiency in the amount of the refund shall be paid if and when money is available in the Bond Reserve Fund with which to make the payment.

The City retains the right to amend the Bond Ordinance and other related documents to provide for other uses of the Bond Reserve Fund in connection with a refunding of the Bonds; and the owners of the Property have no entitlement to any amounts in the Bond Reserve Fund in the event of such an amendment.

### **CERTAIN RISK FACTORS**

*The purchase of the Bonds involves certain investment risks which are discussed throughout this Official Statement. Each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the Bonds.*

#### **General**

The City has not pledged its general fund, taxing power or revenues (other than the Assessments) to secure the Bonds. The Bonds are not general obligations of the City, the State of Nevada, or any other political subdivision thereof. No governmental entity has pledged its faith and credit for the payment of the Bonds.

In order to provide for the timely payment of debt service on the Bonds it will generally be necessary that the Assessment Installments be paid in a timely manner. In the event of delinquencies in the payment of the Assessment Installments, the Bond Reserve Fund may be used (to the extent funds are available therein) to make up the resulting deficiencies in the Bond Fund. In addition, the City is required to initiate foreclosure or sale proceedings with respect to delinquent properties under certain circumstances. However, the failure of the owners of Property to pay the applicable Assessment Installments when due, the depletion of the Bond Reserve Fund, or the inability of the City to derive sufficient funds from foreclosure or sale proceedings to cover delinquent Assessment Installments could result in the inability of the City to make full and punctual payments of debt service on the Bonds.

The Assessments do not constitute a personal indebtedness of the owners of the various parcels upon which they have been levied. There is no assurance that such owners will be able to pay the Assessment Installments or that they will in fact pay such Assessment Installments even though financially able to do so.

### **Concentration of Ownership**

Property responsible for approximately 71% of the Assessments was owned by the Developer as of March 31, 2003. While the Developer's current plan is to sell its remaining property within the District, there can be no assurance that it will be successful in doing so. Moreover, the Developer often retains ownership of non-residential properties. Thus, there is no assurance of any greater degree of diversification of ownership than currently exists. Unless and until such ownership is broadly diversified, the inability or refusal of the Developer to pay Assessment Installments when due could result in the rapid total depletion of the Bond Reserve Fund. Under such circumstances, there would be insufficient moneys with which to pay principal of and/or interest on the Bonds. See the sections hereof entitled "THE DEVELOPMENT PLAN" and "THE DEVELOPER'S FINANCING PLAN" for information supplied by the Developer with respect to its anticipated sales. The Assessments are not required by law to be prepaid in connection with such sales.

### **Development Uncertainties - General**

The Property is presently undeveloped, except to the extent that some of the infrastructure required for its ultimate development has been installed. In general, undeveloped land is less valuable than developed land and, therefore, will provide less security for the repayment of the Bonds in the event that the City is required to initiate sale or foreclosure proceedings as a result of delinquencies in the payment of Assessment Installments prior to development of such land.

A number of contingencies exist which could slow the rate of, or prevent altogether, the future planned development of the Property. A substantial reduction in the rate at which the Property may be developed could reduce its value and restrict the diversification of ownership of the Property. Specifically, development of the Property will be contingent upon, among other things, the Developer's construction of the Project and certain improvements which are not a part of the Project. The installation of some of these improvements may require action on the part of entities other than the City and over which the City has little or no control. Thus, there can be no assurance that these improvements will be constructed.

Land development operations are subject to comprehensive federal, state and local regulations. Approvals are required from various governmental agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning and building requirements and numerous other matters. Failure to obtain any such approval could adversely affect land development operations. The development and marketing of land within the District may also be adversely affected by competition from other developments, changes in general economic conditions, fluctuations in the real estate market in the area, and other similar factors.

The development and marketing of land within the District may be particularly dependent on factors which are peculiar to southern Nevada. See APPENDIX C "THE APPRAISAL." Moreover, although in recent years the demand for new housing in the Las Vegas Valley has grown substantially, there can be no assurance that such demand or growth in demand will continue in the future.

## **Development Uncertainties – Financing**

The successful development of the Property will require the installation of both public improvements (including the Project) and private improvements. Although proceeds derived from the sale of the Bonds will be available to purchase a portion of the public improvements from the Developer upon completion thereof, the Developer will be required to advance the funds necessary to complete the Project. If and to the extent that the cost of the public and private improvements required for the development of the Property is financed through borrowings, such borrowings will increase the public and private debt for which the Property serves as security. An increase in such debt could reduce the ability or desire of the property owners in the District to pay the Assessment Installments applicable to their property. There is no assurance that either the Developer or any of the persons or entities that have bought or may buy portions of the Property from the Developer will be able to obtain the financing necessary to further improve such Property.

## **Availability of Water Service**

The development of the land within the District will require potable water to meet domestic water consumption and fire protection needs. This means both that the supply of water must be adequate to meet such needs and a delivery system to distribute the water to the District must be in place.

The entity responsible for the delivery of water to the land within the District is the Las Vegas Valley Water District (the "Water District"). Under the Water District's Service Rules, a final commitment to serve water to a parcel can be made only when the parcel is actually being developed. Accordingly, the Water District is not in a position to provide a final commitment of water to the land within the District. However, based on the Water District's current practices, the Developer believes that, subject to compliance with all Water District Service Rules (including but not limited to payment of applicable fees and fulfillment of all requirements of the water commitment process), water service will be made available to the land within the District upon completion of all necessary improvements, including the appropriate reservoirs, pumping stations and transmission lines.

The Property will be initially served water from the 3320/3435 Water Zone, and eventually from the 3550/3665 Water Zone. Agreements have been executed for the design and construction of the 3665 Water Zone pumping station, which will be located at the 3435 Water Zone reservoir. Construction is currently scheduled to commence immediately after completion of the 3435 Water Zone reservoir in order to be in service by summer 2004. The Water District will not initiate agreements without a written request from a developer and a demonstration that facilities are required. The Water District has not denied initiating agreements with the Developer for the design and construction of major water facilities in Summerlin when they have been demonstrated as being needed for development. However, the City makes no guaranty of any kind as to the availability of the water necessary to serve the assessed property.

The adequacy of the water supply for southern Nevada over the longer term is the responsibility of the Southern Nevada Water Authority (the "Authority"). In its 2002 Water Resource Plan the Authority reported that Southern Nevada is now using almost all of its 300,000 acre-feet per year apportionment of Colorado River water for domestic needs. Past Water Resource Plans had estimated that the existing resources would not be fully utilized until 2007. Thus, increases in population and in water demand are approximately five years ahead of previous forecasts. Nevertheless, the Authority expects to be able to meet projected water demands in its service area through 2016 with responsible conservation and full utilization of all its existing water sources, including unused lower Colorado River division states' apportionments.

In January, 2001, the Secretary of the Interior signed the Record of Decision for the Colorado River Interim Surplus Guidelines Final Environmental Impact Statement. These specific interim surplus guidelines (the "Guidelines") are to be used annually to determine the availability of surplus water for use within the states of Arizona, California and Nevada beginning in calendar year 2001 and continuing through 2016. The interim surplus determinations set forth in the Guidelines are expected to provide water sufficient to meet domestic needs in Southern Nevada through 2016. See, "CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT" on the page immediately prior to the Table of Contents of this Official Statement. However, the Guidelines provide that the interim surplus determinations set forth therein are to be suspended in the event that a Quantification Settlement Agreement (and certain related documents) is not executed by the Secretary of the Interior and certain California water agencies (the Imperial Irrigation District, the Coachella Valley Water District, the Metropolitan Water District of Southern California and the San Diego County Water Authority) by December 31, 2002. The Quantification Settlement Agreement was not executed by those parties by that date. As a result, "surplus" Colorado River water that would have otherwise been made available to the Authority is not currently available to it. The suspension of the interim surplus determinations would end if and when the Quantification Settlement Agreement is executed by the parties identified above.

If the "surplus" water is not made available to the Authority, it will need to draw on its underground reserves, accelerate the implementation of the conservation measures that were included in its 2002 Water Resource Plan to address the current drought in the Colorado River watershed and implement additional conservation measures. However, the Authority has not suggested that future development in Southern Nevada will be need to be halted as a result.

#### **Availability of Sewer Service**

The development of the land within the District will require a system to remove, treat and dispose of sewage. The entity responsible for supplying these services to the land within the District is the Clark County Water Reclamation District (the "Reclamation District"). Based upon the Developer's plans for the development of the land within the District and the Reclamation District's public statements with respect to currently available sewage treatment capacity, the Developer believes that sufficient sewage treatment capacity is, and will continue to be, available to accommodate the development of the Property. The development agreement between the City and the Developer for the development of the area known as Summerlin Village 23A included adequate sewer capacity for the Property. The improvements needed in order to provide sewer service for the parcels located in the 3320/3435 Water Zone have been approved and are currently under construction. The improvements necessary to serve the remainder of the Property are currently under design. However, the City makes no guaranty of any kind as to the availability of the sewer service required for the assessed property. See, "CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT" on the inside front cover page.

#### **Availability of Electrical Energy**

The supplier of electrical energy to property within the City is Nevada Power Co., a subsidiary of Sierra Pacific Resources ("Nevada Power"). In 2002, following its losses in two rate case decisions by the Nevada Public Utilities Commission, Nevada Power indicated it was examining whether it could afford to continue hooking up new customers. The Developer has entered into a Master Plan Line Extension Agreement with Nevada Power that provides for Nevada Power to install the infrastructure to support the Property. Nevada Power is currently constructing substation improvements in order to service the Property. The Developer has executed line extension agreements with Nevada Power, and the facilities covered by those agreements are currently under construction.

## **Desert Tortoise and Other Animal and Plant Resources**

Pursuant to the Endangered Species Act of 1973, the desert tortoise, a reptile native to arid portions of the Southwest United States and Mexico, has been determined by the United States Fish and Wildlife Service to be a threatened species in those areas located north and west of the Colorado River. This determination has resulted in the establishment of certain measures intended to protect the desert tortoise. One of these measures, embodied in the Clark Habitat Conservation Plan, requires land developers to pay fees that are expected to be used for the acquisition of replacement habitat. The Developer will be required to pay such fees.

During recent years the United States Fish and Wildlife Service has listed numerous species of plants and animals as threatened or endangered in various regions of the country. In certain instances, such listings have limited, or prevented altogether, the development of land in such regions. Similarly, the State of Nevada has taken action to protect a number of species including desert tortoises, banded gila monsters and phainopepla. While neither the City nor the Developer is aware of the presence on the Property of any plant or animal that is currently listed as threatened or endangered, any future such listing of any species located on or adjacent to the Property could negatively affect the Developer's ability to develop the Property for the purposes, within the time frame, and at the cost currently projected by the Developer.

## **Cultural Resources**

Land development activity can be impacted by the presence of sites identified in the National Register of Historic Places and by the presence of antiquities and/or the remains of Native Americans. SWCA Environmental Consultants prepared an archeological survey of the Property, dated December 3, 2002, in order to determine whether any such sites exist on the Property. According to the survey, one prehistoric isolated find was identified. However, it does not possess sufficient importance in order to be eligible for the National Register of Historic Places.

## **Environmental**

The value of the Property may be adversely affected by the presence, or even by the alleged presence, of hazardous substances. In general, the Owner of a parcel may be required by law to remedy conditions of the parcel relating to the releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but other federal, state and local provisions pertain to hazardous substances as well. Under many of these laws, the Owner of property is obligated to investigate and remediate a hazardous substance on such property whether or not the Owner had anything to do with the generation or disposal of the hazardous substance.

A Phase I Environmental Site Assessment of the Property, dated December 12, 2002 (the "Environmental Study"), has been prepared by Terracon, Las Vegas, Nevada. The Environmental Study reviewed the historical uses of the Property, the physical condition thereof, public records pertaining thereto, the uses of areas surrounding it, and other factors deemed relevant to the environmental condition of the Property. The Environmental Study did not reveal evidence of any recognized environmental conditions in connection with the Property and concluded that further investigation of site did not appear warranted.

The Environmental Study included only limited testing and analysis of the soils on the site. There can be no assurance that during or subsequent to the development of the Project that hazardous

materials or waste will not be discovered on the Property. Should such a discovery be made, the permitted land uses and/or the marketability of some or all of the Property could be adversely affected, or the owners of contaminated sites could incur significant costs to implement any remedial action required under state or federal law to clean up such contamination, or significant liabilities to third parties injured as a result of such contamination.

### **Enforcement Delays - Bankruptcy**

In the event of a delinquency in the payment of an Assessment Installment, the City is required, under certain circumstances, to commence sale or foreclosure proceedings as described under the heading "SECURITY FOR THE BONDS — Sale or Foreclosure Proceedings." However, prosecution of such proceedings could be delayed due to crowded local court calendars or delaying tactics. It is also possible that the City will be unable to realize sale or foreclosure proceeds in an amount sufficient to pay the applicable delinquencies. Moreover, the ability of the City to commence and prosecute sale or foreclosure proceedings may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights and by the laws of Nevada relating to judicial foreclosure. Although bankruptcy proceedings would not cause the liens of the Assessments to become extinguished, bankruptcy of a property owner could result in a delay in the sale or foreclosure proceedings because federal bankruptcy laws provide for an automatic stay of foreclosure and tax sale proceedings. Any such delays could increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds. Moreover, if a bankruptcy court determines that the value of the parcel owned by the property owner in bankruptcy is less than the lien of the Assessment applicable to such property, the amount of the lien could be reduced by the amount of the difference, and the amount of the Assessment that exceeds the reduced lien could be treated as an unsecured claim by the bankruptcy court.

The various legal opinions delivered in connection with the issuance of the Bonds, including Bond Counsel's approving legal opinion, will be qualified as to the enforceability of various legal instruments (including the Bonds), by reference to bankruptcy, reorganization, insolvency and other laws affecting the rights of creditors generally or against municipal corporations such as the City.

### **Governmental Ownership Interests in the Property**

***FDIC and Other Federal Agencies.*** The ability of the City to collect interest and penalties specified by the Local Improvements Law and to foreclose the lien of a delinquent Assessment may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC") has or obtains an interest. Specifically, in the event that any financial institution making a loan which is secured by a parcel within the District is taken over by the FDIC and the applicable Assessment Installment is not paid, the remedies available to the City may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

The FDIC has filed claims with respect to community facilities district special taxes against the County of Orange, California in United States Bankruptcy Court and in Federal District Court in which the FDIC has taken a position similar to the position expressed in the Policy Statement. The Bankruptcy

Court ruled in favor of the FDIC's position; and, on March 22, 1999 the United States Bankruptcy Appellate Panel of the Ninth Circuit Court of Appeal affirmed the decision of the Bankruptcy Court. On August 28, 2001, the United States Court of Appeal for the Ninth Circuit affirmed the Bankruptcy Appellate Panel decision.

The FDIC does not currently own any of the property in the District. The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a portion of the Property in which the FDIC obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase such parcel at a foreclosure sale.

The City's remedies may also be limited in the case of delinquent Assessments with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

**Public Agencies Generally.** The City does not expect that any of the parcels comprising the Property will be acquired by a public agency for public purposes. (In that regard, although an elementary school site and a community park site are proposed for the area within the District, the City and the Developer expect that both those sites will be exempted from assessment as the Property is subdivided and the Assessments are apportioned. However, it is always possible that one or more parcels that are subject to Assessment might be acquired by a public agency for a public purpose. Although the Local Improvements Law permits assessments to be levied on publicly owned property, it creates no special remedy for bondholders if the public agency that owns such property fails to pay an assessment installment. Thus, at least by implication, the general remedies in the event of delinquent assessment installments, foreclosure and sale proceedings, would appear to be available under such circumstances. However, in some other states, the courts have prohibited bondholders from foreclosing or otherwise compelling the sale of publicly owned property in such circumstances on the theory that such actions would be contrary to public policy. In some instances, the courts have suggested the possibility of other remedies, such as actions in inverse condemnation. The law in the State on this point is uncertain, and the City can provide no assurance as to the remedy, if any, that would be available to Bond Owners in the event of a failure on the part of a public agency to pay an Assessment Installment applicable to its parcel.

### **Apportionment of Assessments**

The Assessments confirmed on the various portions of the Property are indicated above in the table under the caption "SECURITY FOR THE BONDS — Property Values." As the Property is further subdivided, it will be necessary for the Assessment to be apportioned to the resulting parcels of land. It is expected that the Assessment will be apportioned on a net-net assessable area basis unless the parcel in question is being subdivided into single-family residential lots, in which case the apportionment will be based on the number of residential lots being created. This methodology is intended to result in (1) substantially equal assessments per developable area throughout the District, regardless of land use, prior to the final subdivision of a parcel and (2) identical assessments for each single family residence within a given final residential subdivision (although the Assessment per residence will vary from one final single family residential subdivision to another). However, it is possible that the intended result will not be achieved either as a result of unexpected facts and circumstances (for example, differences between the estimated assessable area of the Property and/or individual parcels and the actual assessable area thereof could result from an increase in the area of the non-assessable property occurring in the subdivision process) or error in the application of the apportionment process. Moreover, since the methodology ignores the value of the property whose Assessment is being apportioned, there will almost certainly be substantial variations in the value-to-lien ratios of the various parcels created as a result of the

subdivision of the Property. It is possible that relatively less valuable parcels could be burdened with relatively large Assessments.

### **Parity Assessments**

The need for additional public infrastructure could cause the City or any other public agency within whose jurisdiction any portion of the Property lies to create additional special improvement districts in order to finance such infrastructure. The liens of any assessments levied in connection with such special improvement districts would be co-equal in priority to the liens of the Assessments, and the amount of the additional assessments would result in a reduction of the then-applicable ratio of the value of the subject properties to the aggregate assessment liens applicable thereto.

### **Partial Refunding of Bonds**

Under the Bond Ordinance, the City is permitted to refund any portion of the Bonds and to release a proportionate amount of the Assessments from the Trust Estate in order to secure the Refunding Bonds. As a result of such a partial refunding, Assessments on some of the Property would be permanently withdrawn from the security for the Bonds that remain outstanding after such a withdrawal, and the City may transfer from the Bond Reserve Fund to any fund or account of the City designated by the City Council all or any portion of the amount in the Bond Reserve Fund that exceeds the Reserve Requirement after issuance of the Refunding Bonds. The Bond Ordinance requires as conditions precedent to the issuance of Refunding Bonds that: (i) the Value-to-Lien Ratio of all of the Undeveloped Property (property within the District on which there is no improvement which requires a City certificate of occupancy) that is subject to the Assessments remaining in the Trust Estate after the issuance of the Refunding Bonds be in the aggregate not less than 3.04:1 and (ii) the principal amount of the Remaining Assessments be not less than the principal amount of the Bonds remaining Outstanding after the issuance of the Refunding Bonds. However, subject only to those limitations, the City would not be prevented from removing from the Trust Estate the Assessments on the then most valuable parcels within the District in connection with a partial refunding. Moreover, a partial refunding could significantly alter the overall mix of land uses and diversification of ownership of the parcels securing the Bonds.

### **Amendments to Bond Ordinance**

The Bond Ordinance may be amended in certain respects without the consent of Bond Owners and in other respects with the consent of the Owners of not less than 66% of the Bonds outstanding at the time of adoption of such amendatory or supplemental ordinance. See APPENDIX A "DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS — THE BOND ORDINANCE — Amendment of Bond Ordinance." Some Beneficial Owners of the Bonds may have interests which are different from, and in some cases, in conflict with, the interests of other Beneficial Owners. For example, Beneficial Owners who are also owners of any of the parcels that comprise the Property may favor changes to the Bond Ordinance that would be opposed by Beneficial Owners who are not owners of such parcels. Thus, it is entirely possible that the Bond Ordinance could be amended without the consent of some Beneficial Owners, and even over their objection, in a manner that would adversely impact the value of their Bonds.

## THE DISTRICT

*The information under this heading includes forward-looking statements. See the cautionary information regarding forward-looking statements at the front of this Official Statement for information relating to the risks of such statements. Moreover, the information under this heading has been obtained from the Developer; and the City has not independently verified it, cannot assure that it is accurate and complete and makes no representation as to its accuracy and completeness*

### General

The District consists of approximately 301 assessable acres located in the northwest section of the Las Vegas Valley. The District is part of the Developer's master planned community known as Summerlin. All of the District is within the corporate boundaries of the City, as are additional 14,700 acres of Summerlin. The remaining portion of Summerlin is located within the unincorporated portion of Clark County. An aerial photograph of the Summerlin area appear on page \_\_, and the master plan for Summerlin is depicted on page \_\_. A diagram showing the location of the District appears on page \_\_.

The Developer serves as the master developer for Summerlin, responsible for developing and implementing design standards and insuring a balance of land use and product mix. The Developer intends to construct or cause to be constructed public and private infrastructure necessary to enable the Developer to sell land parcels to merchant builders. The infrastructure consists primarily of on-site and off-site utility (water, sewer and drainage) and roadway improvements as well as greenbelt and park improvements.

Of the approximately 394 gross acres included in the District, approximately 37 acres have been or are expected to be used for schools, parks, drainage areas and open space; these acres have not been assessed. The remaining approximately 357 acres are considered to be salable, but they include a portion of the streets adjacent to the various individual parcels expected to be sold to merchant builders. Streets and other public property are not expected to be assessed, and the net area expected to be subject to the Assessment (after deducting an estimated 56 acres for streets and other public property) is approximately 301 acres.

Summerlin has been divided into villages for planning and development purposes. A diagram showing the location of the various villages that have been or are in the process of being developed, as well as Village 23A (the Village included within the District), appears on page \_\_.

### Village Description

The District consists of Village 23A, known as The Paseos Phase I at Summerlin. A portion of the improvements required for the development of the Property were financed with bonds issued on behalf of the City's Special Improvements District 808 because they were required for the development of another village and also benefit the Property. It was the Developer's intent to request the City to create an overlay special improvement district in Village 23A for improvements that directly benefit only that village at a later date. The District represents that overlay district.

The Paseos Phase I at Summerlin is located north of Charleston Boulevard, south of Alta Drive, west of Desert Foothills Drive and east of a currently unnamed collector road servicing the District. The Paseos Phase I at Summerlin will consist of primarily residential development but also contains acreage for recreational amenities, two worship sites and an elementary school site.

The village will be the second Summerlin village located west of the Western Beltway. The village is organized around a central spine road, an internal loop road, and a paseo system that runs north and south through the center of the District. A community park, an elementary school site, and two worship sites form the village core. The street network and village plan are designed to provide convenient access to the various village elements.

Of the total 394 acres in The Paseos Phase I at Summerlin, 260 acres are planned for single family detached and attached homes and 32 acres are planned for multi-family units, including apartments. The multi-family parcels are clustered at the corner of Charleston Boulevard and Desert Foothills Drive, where they have maximum visibility from surrounding arterial roadways.

The village contains a 15.5 acre community park that is planned for active uses, including a lighted baseball field, junior soccer fields, basketball and volleyball courts, children's play areas, and a picnic area with restroom building. The village also contains 5.8 acres of paseos that provide shaded seating areas and off-road trail connections to and from the village core and northward under Alta Drive. An open space/trail corridor also runs along the spine road and provides both a recreational amenity for the village and a link to future villages as part of the community trail system.

### **THE DEVELOPER**

*The information under this heading has been obtained from the Developer. The City has not independently verified it, cannot assure that it is accurate and complete and makes no representation as to its accuracy and completeness.*

The Howard Hughes Corporation, is the principal owner of portions of the Property that are responsible for approximately 75% of the Assessment. The Howard Hughes Corporation and various affiliated entities, all of which are owned directly or indirectly by The Rouse Company ("Rouse"), are the owners of substantially all of the undeveloped land within Summerlin, a master-planned community located in the western portion of the Las Vegas Valley. The term "Developer," as used in this Official Statement, sometimes refers to The Howard Hughes Corporation individually and sometimes to The Howard Hughes Corporation and its affiliated companies collectively.

The Developer has developed and sold to merchant builders, custom lot buyers, commercial users and others substantially all of the for-sale property in Village 1 North (The Hills), Village 1 South (The Hills South), Village 2 (The Pueblo), Village 3 (The Canyons), Village 7 (The Trails), Village 8 (The Crossings), Villages 11 and 12 (The Arbors) and in Village 20 (The Vistas). Each of said villages is located within the City, and each of them has been included in a special improvement district formed to help finance some of the public infrastructure required for its development. In addition, a number of villages have been developed, or are in the process of being developed, in unincorporated portions of Clark County, and each of those villages has been included in a special improvement district formed by the County to help finance a portion of the necessary public infrastructure. These include Village 14A (The Willows), Village 14B (The Gardens), Villages 13 and 19 (Summerlin Centre) and Village 18 (The Ridge). A diagram showing the location of these villages appears on page \_\_\_. In addition, the Developer has sold a total of approximately 3,900 acres in three bulk sales, two of which were for age-restricted communities and the third of which was for an upscale country club development. Including common areas and roads, these developments and sales comprise approximately 10,000 acres of the Developer's original 22,500 acres.

The Howard Hughes Corporation is an affiliate of The Hughes Corporation ("Hughes Corp.") Following the death of Howard R. Hughes Jr. in 1976, Hughes Corp. was reorganized over several years to simplify its business structure. The reorganization included the formation of the Developer to meet

certain business objectives. The culmination of this reorganization resulted in the Developer and its affiliates owning the majority of the assets which generate substantially all the revenues for the Hughes entities. Aside from their extensive land holdings, the Developer and its affiliates own directly or as a joint venture partner approximately 2.2 million square feet of office, retail, and industrial development located primarily in southern Nevada.

On June 12, 1996, the Developer was acquired by Rouse, a Maryland corporation, and is now wholly owned by Rouse through various affiliates. Rouse is one of the largest publicly traded real estate companies in the United States. Rouse develops, acquires, owns and manages rental properties across the United States. Headquartered in Columbia, Maryland, The Rouse Company was founded in 1939 and became a public company in 1956. A premier real estate development and management company, The Rouse Company, through its numerous affiliates, operates more than 175 properties encompassing retail, office, research and development and industrial space in 22 states. The Company is also the developer of the planned communities of Columbia, Maryland, as well as Summerlin.

[INSERT AERIAL PHOTO]

[INSERT SUMMERLIN MASTER PLAN]

[INSERT SPECIAL IMPROVEMENT DISTRICTS DIAGRAM]

[INSERT PARCELS DIAGRAM]

## THE DEVELOPMENT PLAN

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### General

The Developer generally intends to develop the land within Village 23A to the point at which parcels may be sold to merchant builders, as has been its practice with much of the land (it has) already developed in Summerlin.

The Developer's current development plan for Village 23A is set forth below, and a diagram showing the location of the various parcels referred to in the development plan and highlighting the parcels that have been sold appears on page 25. The Developer's plan for this Village is subject to change from time to time in order to adapt it to the Developer's perception of the market at the given time.

Of the total 394 gross acres in Village 23A, 25 acres are designated for a school and worship site and 36 acres for open space. Residential development is expected to consist of 14 parcels, ranging in size from 18 acres to 30 acres, with a total density of approximately 2,000 units. The parcels are expected to be developed to provide a wide range of housing options. Residential parcels within The Paseos Phase I at Summerlin are described as follows.

Parcel A consists of approximately 15.93 net-net acres and is planned for approximately 236 units of for-rent housing.

Parcel B consists of approximately 15.33 net-net acres and is planned for approximately 225 units of for-rent/entry level condominium housing.

Parcel C consists of approximately 17.32 net-net acres and is planned for entry level housing (1,000 to 1,900 square feet).

Parcel D consists of approximately 25.40 net-net acres and is planned for move-up housing (1,700 to 2,550 square feet).

Parcel E consists of approximately 23.44 net-net acres and is planned for upgrade (2,000 to 3,100 square feet).

Parcel F consists of approximately 20.55 net-net acres and is planned for upgrade housing (2,000 to 3,100 square feet).

Parcel G consists of approximately 18.86 net-net acres and is planned for move-up housing (1,700 to 2,550 square feet).

Parcel H consists of approximately 19.48 net-net acres and is planned for entry level housing (1,000 to 1,900 square feet).

Parcel I consists of approximately 22.80 net-net acres and is planned for move-up housing (1,700 to 2,550 square feet).

Parcel J consists of approximately 20.70 net-net acres and is planned for move-up housing (1,700 to 2,550 square feet).

Parcel K consists of approximately 20.14 net-net acres and is planned for move-up condominium housing (1,700 to 2,400 square feet).

Parcel L consists of approximately 20.60 net-net acres and is planned for upgrade housing (2,000 to 3,100 square feet).

Parcel M consists of approximately 25.80 net-net acres and is planned for executive non-amenity housing (2,200 to 3,600 square feet).

Parcel N consists of approximately 24.50 net-net acres and is planned for upgrade housing (2,000 to 3,100 square feet).

Through March, 2003, the Developer had expended approximately \$5.2 million toward the improvement of the District. Listed below are the development components, total budgeted amount for each component, amounts spent through March, 2003, and the balance necessary to complete the development and improvement related items.

<b>Improvement Costs</b>			
<i>Description</i>	<i>Project Budget</i>	<i>Expended Through March 31, 2003</i>	<i>Balance to Complete</i>
<b>Village 23A (The Paseos Phase I)</b>			
Planning and Engineering	\$ 2,181,093	\$	\$
On-Site Infrastructure			
Rough Grading	1,556,468		
Water, Sewer Storm Drains	6,930,785		
Utilities	2,614,722		
Street Improvements	3,957,276		
On-Site Other			
Landscaping	6,667,173		
Amenities	6,423,889		
Walls	2,152,355		
Other	<u>2,639,725</u>	_____	_____
<b>Total Village Direct Costs</b>	<b><u>\$ 35,123,786</u></b>	<b><u>\$ _____</u></b>	<b><u>\$ _____</u></b>

Source: The Howard Hughes Corporation

Detailed cost estimates of the Project and the other infrastructure required for the development of Village 23A were prepared by G.C. Wallace Inc. based on a land plan prepared by Greey/Pickett. Village 23A direct costs of \$35 million and costs of infrastructure that benefits Village 23A were validated by Summerlin personnel. Reimbursements for some improvements are expected from proceeds derived from the sale of the Bonds.

The discussion set forth above merely reflects the Developer's present plans for the development of Village 23A. Those plans are subject to change. The Developer is under no legal obligation of any kind whatsoever to install any of the necessary infrastructure (other than the improvements to be acquired from the Developer with Bond proceeds), and there can be no assurance that the Developer will have the resources, willingness and ability to successfully implement the Development Plan described above.

**Sales of Property**

The Developer has sold the parcels shown below to the purchasers indicated. The diagram on page \_\_\_ shows the location of these parcels within the District

**Land Sales Through March 31, 2003**

<i>Parcel</i>	<i>Area (Net-Net Acres)</i>	<i>Purchaser</i>	<i>Date of Sale</i>	<i>Expected Land Use</i>
D	25 40	William Lyon Homes, Inc.	3/21/2003	Move Up Homes
G	18 86	Pulte Homes	3/24/2003	Move Up Homes
H	19.48	Greystone Homes	3/19/2003	Entry Level Homes
I	22 80	KB Home	3/18/2003	Move Up Homes

Source Developer

**THE DEVELOPER'S FINANCING PLAN**

*The information under this heading includes forward-looking statements. See the cautionary information regarding forward-looking statements at the front of this Official Statement for information relating to the risks of such statements. Moreover, the information under this heading has been obtained from the Developer; and the City has not independently verified it, cannot assure that it is accurate and complete and makes no representation as to its accuracy and completeness.*

The financing plan for the District is predicated on the development of and land sales occurring in Village 23A. The total budgeted cost for the direct development of Village 23A is approximately \$35,124,000. This amount includes development and marketing costs; but it does not include the cost of the land owned in fee by the Developer. Also excluded from this amount are the costs of certain regional facilities that benefit both Village 23A and Villages 23B and 20 (The Vistas) which are being financed with proceeds from the sale of S.I.D No. 808 Bonds. Funding of the costs to date has been provided through cash, which has been generated from land sales in other villages of Summerlin

The Developer expects to obtain the necessary remaining funding from proceeds derived from the sale of the Bonds (approximately \$8,900,000), and from land sales (approximately \$26,224,000). The total cash proceeds from land sales in the District is projected at approximately \$102,000,000. The Developer expects that revenue each year from land sales plus the available bond proceeds will be in excess of the development costs in such year. The Developer believes that its sales of land within the District in 2003 together with its land sales projected for 2004, will generate over \$60,000,000 in cash to the Developer. Moreover, under the terms of the Development and Financing Agreement, the Developer is obligated to construct the Project; and its obligation to do so is guaranteed by its parent, The Rouse Company. See APPENDIX A "DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS — THE DEVELOPMENT AND FINANCING AGREEMENT." However, Rouse has not guaranteed payment of the Assessment Installments applicable to the Developer's property in the District, and it has no obligation of any kind to make such payment. Rouse is a New York Stock Exchange listed real estate

investment trust, and financial information concerning Rouse can be obtained from the quarterly and annual reports that it files with the Securities and Exchange Commission and/or from Rouse itself. Rouse maintains a website, however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. Rouse is under no obligation to the Beneficial Owners of the Bonds to update the information presented on its website.

## THE PROJECT

The Project includes street improvements (including grading, paving, base, street lights, curbs and gutters, sidewalks and striping), together with traffic signal appurtenances, sanitary sewers, water lines, storm drains, and related facilities to be constructed by the Developer and acquired by the City or the Water District or the Sanitation District, as the case may be, pursuant to the Development and Financing Agreement. The specific improvements which constitute the Project are described in the ordinance that created the District.

## TAX MATTERS

In the opinion of Swendseid & Stern, a member in Sherman & Howard L.L.C., Las Vegas, Nevada, Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustments applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds, (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The City has covenanted and represented that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under the Tax Code. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation. A copy of said opinion is attached hereto as Appendix B.

With respect to the Bonds maturing on June 1, \_\_\_\_ through June 1, \_\_\_\_ (the "Discount Bonds"), the difference between the amount of the Discount Bonds payable at maturity and the original offering price of the Discount Bonds as shown on the cover page hereof will be treated as "original issue

discount” for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income, alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on June 1 or December 1 with straight line interpolation between compounding dates. In the case of a purchaser who acquires the Discount Bonds in this offering, the amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income, alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner’s basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity).

Owners who purchase Discount Bonds in the initial offering at a price other than the original offering price shown on the cover page hereof and owners who purchase Discount Bonds after the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Section 55 of the Tax Code contains a 20 percent alternative minimum tax on the alternative minimum taxable income of corporations. For taxable years beginning after 1989, 75 percent of the excess of a corporation’s “adjusted current earnings” over the corporation’s alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss deduction) is included in the corporation’s alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. “Adjusted current earnings” include interest on the Bonds

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including without limitation, financial institutions, insurance companies, recipients of Social Security and Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal tax consequences. Bond Counsel’s opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income and alternative minimum taxable income as described above and states that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date, nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal tax laws may be proposed or enacted in the future and there can be no assurance that any such future amendments which may be made to the federal tax laws will not adversely affect the value of the Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, or that such changes will not result in other adverse federal tax consequences. Bond owners are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the Service will treat the City as the taxpayer and the Owners may have no right to participate in such procedures. The City has covenanted in the Bond Ordinance not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the City, the Underwriters or Bond Counsel is responsible for paying or reimbursing any Registered Owner or Beneficial Owner for any audit or litigation costs relating to the Bonds.

In the opinion of Bond Counsel, under existing laws of the State of Nevada, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State of Nevada or any subdivision thereof except for the State estate tax and the State tax on generation-skipping transfers

### **ABSENCE OF LITIGATION**

The City Attorney is of the opinion that there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to his knowledge, threatened against or affecting the City which would (i) adversely impact the City's ability to complete the transactions described in or contemplated by the Bond Ordinance or this Official Statement, (ii) restrain or enjoin the collection of the Assessments, or (iii) in any way contest or affect the validity of the Bonds, the Bond Ordinance, the Assessments, or the transactions described in this Official Statement, or in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Bond Ordinance or the Bonds.

### **NO RATINGS**

*The City has not made, and does not contemplate making, application to any rating organization for a rating on the Bonds*

### **CONTINUING DISCLOSURE**

The City has covenanted in the Bond Ordinance to comply with the City's Continuing Disclosure Certificate, and the Developer has covenanted in the Developer's Continuing Disclosure Certificate to comply with the terms of such certificate, in each case, for the benefit of the Owners and Beneficial Owners of the Bonds, to provide certain financial information and operating data relating to the District (the "Annual Report") and to provide notices of the occurrence of certain enumerated events (the "Listed Events") The Annual Reports will be filed by a Dissemination Agent with each Nationally Recognized Municipal Securities Information Repository Notices of Listed Events will be filed by a Dissemination Agent with the Municipal Securities Rulemaking Board. The specific nature of the information to be included in the Annual Reports and the notices of Listed Events is set forth in Appendix E and Appendix F These obligations have been entered into in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

It should be noted that the City is required to file its financial statements with its Annual Report This requirement has been included in the City's Continuing Disclosure Certificate solely to satisfy the provisions of the Rule The inclusion of this information does not mean that the Bonds are secured by any resources or property of the City other than as described hereinabove. See "LIMITATION OF

LIABILITY,” “SECURITY FOR THE BONDS” and “CERTAIN RISK FACTORS.” It should also be noted that the list of significant events which the City has agreed to report includes three items which have absolutely no application whatsoever to the Bonds. These items have been included in the list solely to satisfy the requirements of the Rule. Thus, any implication from the inclusion of these items in the list to the contrary notwithstanding, there are no credit enhancements applicable to the Bonds, there are no credit or liquidity providers with respect to the Bonds, and the Bonds have not been assigned a rating.

The City has never failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events. The Developer has never failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events.

### **UNDERWRITING**

Stone & Youngberg LLC (the “Underwriter”) is purchasing and reoffering the Bonds pursuant to a Bond Purchase Agreement by and between the City and the Underwriter, pursuant to which the Underwriter agrees to purchase all of the Bonds for an aggregate purchase price of \$ \_\_\_\_\_.

The initial public offering price stated on the cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing said securities into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

### **ADDITIONAL INFORMATION**

Copies of the Bond Ordinance and other documents referred to herein are available upon request and payment to the City of a charge for copying, handling and mailing from Michael K. Olson, City Treasurer, City of Las Vegas, City Hall, 400 East Stewart Avenue, Las Vegas, Nevada 89101.

### **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth therein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the Owners.

The summaries of certain provisions of the Bonds, the Bond Ordinance, the Assessment Ordinance and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the City.

The appendices are an integral part of this Official Statement and must be read together with all other parts of the Official Statement.

The distribution of this Official Statement has been authorized by the City.

## APPENDIX A

### DEFINITIONS AND SUMMARY OF LEGAL DOCUMENTS

*Certain provisions of the Development and Financing Agreement, the Assessment Ordinance and the Bond Ordinance, not previously discussed in this Official Statement, are summarized below. These summaries do not purport to be complete or definitive and are qualified in their entirety by reference to the full terms of the documents. Purchasers of the Bonds are referred to the complete text of such documents, copies of which are available upon written request from the City's Director of Finance*

#### THE BOND ORDINANCE

*Certain provisions of the Bond Ordinance describing the terms of the Bonds, the redemption provisions thereof, the use of the proceeds of the Bonds and partial refundings are set forth elsewhere in this Official Statement. See, "THE BONDS" and "SOURCES AND USES OF FUNDS "*

#### Certain Definitions

The following are definitions of certain of the terms used in the Bond Ordinance and this Official Statement, and not otherwise defined in this Official Statement. Reference is hereby made to the entire Bond Ordinance for the definitions of all terms used in such documents. The following definitions are equally applicable to both the singular and plural forms of any of the terms defined herein:

**"Act"** means the Consolidated Local Improvements Law, Chapter 271, Nevada Revised Statutes, and all laws amendatory thereof and supplemental thereto.

**"Administration Fund"** means the "City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Administration Fund" established in the Bond Ordinance.

**"Annual Debt Service"** means, for each Bond Year, the sum of the interest falling due on all Outstanding Bonds in such Bond Year, assuming that all Outstanding Bonds are retired as scheduled and the principal amount of the Outstanding Bonds maturing subject to mandatory redemption by their terms in such Bond Year. "Annual Debt Service" shall not include interest on Bonds that is to be paid from amounts constituting capitalized interest.

**"Assessment"** means the aggregate special assessment or individual portions thereof, as the case may be, levied by the City constituting a first lien and charge upon benefited lots, tracts and parcels of land within the District, co-equal with the latest lien thereon to secure the payment of general (ad valorem) taxes and the lien of special assessments levied pursuant to the Act

**"Assessment Installments"** means the installments of principal and interest of the Assessments to be paid by the owners of the benefited lots, tracts and parcels of land within the District.

**"Average Annual Debt Service"** means the average Bond Year Annual Debt Service over all Bond Years.

**"Bond Fund"** means the "City of Las Vegas, Nevada, Special Improvement District No. 809 (Summerlin Area) Bond Fund" established in the Bond Ordinance.

**"Bond Reserve Fund"** means the "City of Las Vegas, Nevada, Special Improvement District No. 809 (Summerlin Area) Bond Reserve Fund" established in the Bond Ordinance.

**“Bond Year”** means (i) with respect to the initial Bond Year, the period extending from the date the Bonds are originally delivered to and including June 1, 2004 and (ii) thereafter, each successive twelve month period.

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

**“Construction Fund”** means the “City of Las Vegas, Nevada, Special Improvement District No. 809 (Summerlin Area) Construction Fund” established in the Bond Ordinance.

**“Maximum Annual Debt Service”** means the largest Annual Debt Service during the period from the date of such determination through the final maturity date of any Outstanding Bonds.

**“Parity Assessments”** means other assessments levied on the assessable property within the District or any portion thereof, pursuant to the Act or any similar law, which are on a parity with the lien of the Assessments.

**“Parity Value-to-Lien Ratio”** means a fraction, (i) the numerator of which is the market value of all or any portion of the assessable property in the District, as set forth in a Qualified Appraisal Report, with respect to which the Parity Value-to-Lien Ratio is being determined, and (ii) the denominator of which is the sum of the principal amount of existing Assessments levied on the assessable property with respect to which the Parity Value-to-Lien Ratio is being determined, plus the principal amount of any Parity Assessments theretofore levied and then proposed to be levied on such property (which shall be expressed, after reducing such fraction, as the numerator of said fraction to the denominator of such fraction).

**“Qualified Appraisal Report”** means a real estate appraisal report which (a) has been prepared by a real estate appraiser selected by the City having an “MAI” designation from The Appraisal Institute, (b) at the time of its submittal to the City is not more than six months old, (c) states that it is prepared in accordance with the applicable standards of The Appraisal Institute for such reports, and (d) employs a methodology and provides limiting conditions that are consistent with the initial appraisal prepared at the time of the creation of the District and the levy of the Assessments

**“Qualified Engineer”** means an engineer (whether independent of the City or employed by the City) or engineering firm or corporation selected by the City having skill, knowledge and experience in special assessment districts

**“Rebate Fund”** means the “City of Las Vegas, Nevada, Special Improvement District No. 809 (Summerlin Area) Rebate Fund” created in the Bond Ordinance.

**“Record Date”** means the fifteenth day of the calendar month preceding the calendar month in which each regularly scheduled interest payment date for the Bonds occurs.

**“Refunding Bonds”** means bonds issued by the City to refund a portion of the Bonds.

**“Remaining Assessments”** means Assessments which remain part of the Trust Estate after the issuance of any Refunding Bonds.

**“Reserve Requirement”** means an amount equal to the lesser of (i) 10% of the original principal amount of the Bonds, (ii) 125% of Average Annual Debt Service on the Bonds, and (iii) Maximum Annual Debt Service on all Bonds Outstanding less the sum of all downward adjustments

to the Reserve Requirement due to the prepayment of Assessments or due to the issuance of Refunding Bonds.

**“Special Record Date”** means a special date fixed by the Paying Agent to determine the names and addresses of registered owners of Bonds for the purpose of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in the Bond Ordinance.

**“Supplemental Ordinance”** means any ordinance then in full force and effect which has been duly adopted by the Council amendatory of the Bond Ordinance or supplemental thereto, but only if and to the extent that such Supplemental Ordinance is specifically authorized under the Bond Ordinance.

**“Trust Estate”** means (i) all Assessments except Assessments released as a result of a partial refunding, (ii) all moneys and securities from time to time held by the City in the Bond Reserve Fund and the Bond Fund (including all earnings thereon except to the extent deposited in the Rebate Fund), and (iii) any and all other real or personal property of every name and nature hereafter by delivery or in writing specially pledged as additional security for the Bonds.

**“Undeveloped Property”** means property located within the District on which there is no improvement which requires a City certificate of occupancy.

**“Value-to-Lien Ratio”** means a fraction, (i) the numerator of which is the market value of the Undeveloped Property subject to the lien of the Remaining Assessments, as certified by the County Assessor or, in the sole discretion of the City, is the market value of the Undeveloped Property subject to the lien of the Remaining Assessments, as set forth in a Qualified Appraisal Report, and (ii) the denominator of which is the sum of the principal amount of the Remaining Assessments (which shall be expressed, after reducing such fraction, as the numerator of said fraction to the denominator of such fraction) For the purpose of applying the limitation in the Bond Ordinance on the reapportionment of Assessments, “Value-to-Lien Ratio” means a fraction (i) the numerator of which is the most recent market value of the property which is the subject of the proposed combination or reapportionment of Assessments as certified by the County Assessor or, in the sole discretion of the City is the market value of the Property which is the subject of the proposed combination or reapportionment of Assessments as set forth in a Qualified Appraisal Report and (ii) the denominator of which is the sum of the principal amount of the Assessments which will be levied on such property after the proposed combination or reapportionment (which shall be expressed, after reducing such fraction as the numerator of said fraction to the denominator of said fraction).

### **Pledge of Trust Estate**

The Trust Estate is irrevocably pledged under the Bond Ordinance to and shall be used for the punctual payment of the principal of, premium, if any, and interest on the Bonds, and for payment of the continuing costs of the Bonds as set forth in the Bond Ordinance, and the Trust Estate shall not be used for any other purpose while any of the Bonds remain outstanding. The pledge of the Assessment Installments shall constitute a first and exclusive lien on the Assessment Installments for the foregoing purposes in accordance with the terms of the Bond Ordinance; provided that pursuant to the Act such lien is coequal with the latest lien on the real property in the District to secure the payment of general (ad valorem) taxes. All the Bonds are equally secured by a pledge of and charge and lien upon the Trust Estate.

So long as any of the Bonds are Outstanding, the City may issue Refunding Bonds and may pledge a portion of the Assessments to the payment of such Refunding Bonds if (i) the Value-to-Lien Ratio of all of the Undeveloped Property subject to the lien of the Remaining Assessments will in the

aggregate be not less than 3 04.1 and (11) the principal amount of the Remaining Assessments is not less than the principal amount of the Bonds remaining Outstanding after issuance of the Refunding Bonds. The requirement of NRS 271.488(8)(a) shall be deemed to have been met with respect to the issuance of Refunding Bonds which comply with this section. Upon the issuance of the Refunding Bonds, the Assessments pledged to the payment of the Refunding Bonds shall be released from and shall no longer constitute a part of the Trust Estate In connection with the issuance of the Refunding Bonds, the City may transfer from the Reserve Fund to any fund or account of the City designated by the Council all or any portion of the amount in the Reserve Fund which will be in excess of the Reserve Requirement after issuance of the Refunding Bonds.

### **Funds and Accounts**

Under the Bond Ordinance, the following funds and accounts, among others, are established. Moneys in each such fund or account will be held, disbursed, allocated and applied by the City only as provided in the Bond Ordinance.

**Construction Fund.** All money in the Construction Fund will be applied by the City for the payment of the cost (as defined in the Act) of the acquisition and improvement of the Project, which includes the payment of the costs of issuance of the Bonds Income realized from the investment of the money in the Construction Fund will be retained in the Construction Fund or, at the option of the City, transferred to the Rebate Fund. When the acquisition and improvement of the Project have been completed, the City shall either (1) transfer any remaining balance of money in the Construction Fund to the Bond Fund or (11) retain such balance in the Construction Fund to be applied for the payment of the cost of any additional projects permitted by the Act and agreed to by the City and the Developer pursuant to the Development and Financing Agreement. Any such moneys transferred to the Bond Fund shall be credited against the interest due on the Assessments, as provided in the Assessment Ordinance

**Bond Fund.** All moneys received from the Assessments, including principal and interest and all penalties thereon, will be deposited in the Bond Fund (except to the extent required to replenish the Bond Reserve Fund) Except as provided in the Bond Ordinance and in the Development and Financing Agreement, all moneys deposited in the Bond Fund will be used for the purpose of paying or prepaying the principal of and the interest and redemption premiums, if any, on the Bonds as they become due and payable, and the Bond Fund is pledged as security for such purposes. Interest and other earnings or gain on moneys in the Bond Fund shall (1) prior to the completion of the acquisition and improvement of the Project (including any additional projects pursuant to the Bond Ordinance), be transferred quarterly to the Construction Fund, and (11) after such completion, be retained in the Bond Fund.

Notwithstanding the foregoing, after June 1 of each fiscal year the interest portion of the Assessment Installments that is not used to pay the principal and interest on the Bonds shall be transferred from the Bond Fund to the Administration Fund and used to pay the reasonable administration and other expenses of the City in connection with the Bonds, the Assessments and the Project and for certain other purposes, all as provided in Section 2.5 and Section 2.7B of the Financing Agreement. The Bonds and the interest thereon shall be payable from the Bond Fund, containing the receipts upon the collection of the Assessments and from the remainder of the Trust Estate The Bonds are not payable from the sources identified in NRS 271.428, 271 495 and 271 500.

**Reserve Fund.** Whenever there is a deficiency in the Bond Fund, the deficiency shall be paid from amounts in the Bond Reserve Fund, which shall be a continuing reserve to secure the payment of the Bonds as the same become due and is pledged by the City for such purpose. See, "SECURITY FOR THE BONDS — Bond Reserve Fund."

**Administration Fund.** All moneys at any time in the Administration Fund are to be held by the City Treasurer and are not a part of the Trust Estate. Amounts in the Administration Fund will be used to pay the reasonable administration and other expenses of the City in connection with the Bonds, the Assessments and the Project. Income realized from the investment of the money in the Administration Fund shall be retained in such Fund or, at the option of the City and to the extent permitted by law, transferred to the Rebate Fund.

**Rebate Fund.** The Rebate Fund shall be held by the City Treasurer, but shall not constitute part of the Trust Estate. Notwithstanding any other provision of the Ordinance or of the Financing Agreement, any investment income or other gain on moneys in the Construction Fund, the Bond Fund or the Bond Reserve Fund may be transferred to the Rebate Fund to enable the City to satisfy the requirements of Section 148(f) of the Code. Moneys in the Rebate Fund shall be paid to the United States by the City in the amounts and at the times required by the Code. Any excess moneys contained in the Rebate Fund shall be transferred to the Bond Fund. Upon payment of all amounts due to the United States pursuant to Section 148 of the Code, any moneys remaining in the Rebate Fund shall be transferred to the City's general fund. Moneys in the Rebate Fund are not part of the Trust Estate.

### **Investment of Moneys in Funds and Accounts**

Amounts held in the funds and accounts established by the Bond Ordinance may be invested by the City in securities that are permitted investments for City funds under Chapter 355 of NRS. Investment income is to remain in such funds and accounts unless otherwise provided in the Bond Ordinance.

### **Amendment of Bond Ordinance**

The Bond Ordinance may be amended or supplemented by an ordinance or ordinances adopted by the Council, without the receipt by the City of any additional consideration, with the written consent of the owners of not less than 66% of the Bonds outstanding at the time of the adoption of such amendatory or supplemental ordinance; provided, however, that no Supplemental Ordinance shall have the effect of permitting: (1) an extension of the maturity of any Bond authorized by the Bond Ordinance; (2) a reduction in the principal amount of any Bond or the rate of interest therein, (3) the creation of a lien upon or a pledge of property, revenues or funds, ranking prior to the liens or pledges created by the Bond Ordinance; or (4) a reduction of the principal amount of Bonds required for consent to such amendatory or supplemental ordinance.

The City may, without the consent of or notice to the owners, adopt one or more supplemental ordinance, for any one or more of the following purposes: (1) To cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this ordinance, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this ordinance, or to make any provisions for any other purposes if, in each case, such provisions are necessary or desirable and do not adversely affect the interests of the owners of the Bonds; (2) to pledge additional revenues, properties or collateral as security for the Bonds; (3) to grant or confer upon the Registrar or Paying Agent for the benefit of the owners of the Bonds any additional rights, remedies, power or authorities that may lawfully be granted to or conferred upon the owners, or (4) for the purpose of providing for the issuance of Refunding Bonds.

### **Parity Assessments**

So long as the Bonds or any portion thereof remain Outstanding, the City shall not levy Parity Assessments unless. (a) the Director of Public Works shall have delivered a certificate to the City

Council at the time of approval of such Parity Assessments to the effect that (1) no portion of the project or projects for which such Parity Assessments are being levied are to be constructed within the exterior boundaries of the District, or if the project or projects for which such Parity Assessments are being levied are to be constructed within the exterior boundaries of the District, that not more than ten percent (10%) of the total amount of assessments being levied for such project or projects will be levied on property within the District, and (11) the project or projects to be constructed would not have been required as a condition or requirement of development of land within the District based upon the City's development standards in existence as of April 1, 2003, or (b) the Parity Value-to-Lien Ratio of all of the assessable property within the District against which property Parity Assessments are to be levied will in the aggregate, immediately after such levy, be not less than 3:1.

Any certificate delivered by the Director of Public Works pursuant to subsection (a) above shall be final and conclusive as to the matters contained therein absent fraud.

### **Rights of Owners**

Upon a default in the due and punctual payment of an Assessment Installment and if sale proceedings are not promptly filed and diligently prosecuted by the City, then any registered owner may (1) file and prosecute a foreclosure action in the name of the City, and (2) proceed against the City to protect and enforce the rights of the registered owners under the Act or under the Bond Ordinance by suit, action or special proceedings in equity or at law, either for the appointment of a receiver or for the specific performance of any provisions contained in the Act or in the Bond Ordinance or in an award of execution of any power granted for the enforcement of any proper legal or equitable remedy as such registered owner may deem most effectual to protect and enforce such registered owner's rights. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all registered owners then outstanding. The failure of the registered owner so to foreclose upon the property that is the subject of such delinquent Assessment Installment, or so to proceed against the City, or both, shall not relieve the City or any of its officers, agents or employees of its duty to enforce the Assessments.

### **Paying Agent**

The Paying Agent is appointed for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment at its principal corporate trust office, with the rights and obligations provided in the Bond Ordinance.

If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Council shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the Council may, upon notice mailed to each registered owner at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution or person serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution or person serve as both Registrar and Paying Agent hereunder.

### **Tax Covenants**

The City covenants for the benefit of the owners that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, or any other funds of the City or any facilities financed with the proceeds of the Bonds if such action or omission (1) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (11) 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 such interest required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income

## **DEVELOPMENT AND FINANCING AGREEMENT**

Pursuant to the Development and Financing Agreement, the Developer agrees that the City may create the District, issue the Bonds and levy the Assessments against the property in the District. The Developer is required, at no cost to the City, to transfer fee title or acceptable easement to the City or, if directed by the City, to Las Vegas Valley Water District ("LVVWD") or, the Nevada Department of Transportation or other governmental entity (the "Applicable Entity") for that portion of its property required for construction of the Project of a size and in a form acceptable to the City or the Applicable Entity, free and clear of any mortgage, security interest, easement, lien, or any other encumbrance not previously approved in writing by the City or Applicable Entity. The Developer agrees to construct or cause the construction of, and the City agrees to acquire, the Project. The Developer is required to prepare final plans and specifications for the Project. These plans and specifications must be approved by the City. The Developer must construct the Project in accordance with the approved plans and specifications. The Developer will pay in cash the amount of any cost overruns incurred in the construction of the Project.

In the event that all of the construction of the Project is complete, accepted and payment has been made in full by the City, and all of the City's and Developer's costs have been paid, and there remain unexpended proceeds of the Bonds which are not needed for any purpose related to the Project, the assessments or the Bonds, as determined by the City, the City and the Developer may, by agreement, amend the Project to include any other subprojects eligible for financing under the Act and the City's guidelines that benefit the property assessed in the District. If no amendment is made or if after the amendment there still remain unexpended Bond proceeds, these unexpended proceeds shall be applied as soon as is reasonably possible to reduce, pro rata, the next assessment installment payments on each parcel of property in the District with an appropriate case payment to the owner of any assessed parcel whose assessment has been paid in full.

Once construction of a particular phase of the Project has been completed, the Developer will provide the City with required documentation necessary for the City to acquire the phase of the Project; provided that the Developer will submit for acquisition phases with a cost of \$200,000 or more. Upon acceptance of a phase of the Project, the City will cause the applicable purchase price to be paid to the Developer from amounts on deposit in the Construction Fund. However, any portion of the Project that involves, in whole or in part, water improvements being transferred to the Applicable Entity, will be paid for by the City only after the particular water or sanitary sewer component of the Project has been inspected, approved and unconditionally accepted by the Applicable Entity, and appropriate title transferred to the Applicable Entity.

After the City acquires a particular phase of the Project, the Developer will warrant that the improvements have been constructed in accordance with the plans and specifications. The Developer will remedy any defects in any portion of the Project and pay for any damage to other work resulting therefrom which shall appear within one year from the date of transfer of title to the City, LVVWD or CCSD, whichever is applicable. The Developer will provide evidence of lien releases to the City.

Should the Developer fail to complete a phase of the Project in accordance with the approved final plans therefor prior to the date such plans expire, the City may, at its option, proceed to build, complete, or rebuild any such phase. The City may apply the proceeds of the Bonds for such purposes.

The Developer agrees to pay all costs which exceed the amount available for that purpose from the proceeds of the Bonds

Regardless of whether the acquisition or construction of the Project is completed, the Developer waives all rights to set aside, seek a refund of, enjoin the collection of, or otherwise retrospectively or prospectively be relieved of its obligations to pay, the assessment installments when due.

The Developer represents and warrants, to the best of its knowledge after reasonable investigation, that it has all governmental or other permits required to proceed with development of its property and the Project and has paid all fees relating thereto and any other fees owing with respect to the Project. The Developer agrees that it will obtain those permits it does not now have and pay all fees due. There is no impediment, to the Developer's knowledge, to proceeding with the Project to completion and proceeding with the development of the land owned by the Developer in the District

The Developer agrees not to convey any parcel, lot or real property interest in any of the assessable property in the District to any party until after the Development and Financing Agreement has been recorded in the office of the County Recorder. The Developer agrees to notify any transferee of property of the existence of the Assessments. The Developer agrees 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 Developer or any facilities financed with the proceeds of the Bonds if such action or omission would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

The Developer agrees to protect, indemnify, defend and hold the City, its officers or employees and agents and each of them harmless from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees, and court costs which the City, its officers, employees or agents or any combination thereof may suffer or which may be sought against or recovered or obtained from the City, its officers, employees or agents or any combination thereof as a result of or by reason of or arising out of or in consequence of: (i) the acquisition, construction or financing of the Project by the City, (ii) any environmental or hazardous waste conditions (a) which existed on any of the property transferred to the City or other governments for the Project at any time prior to final acceptance of the Project by the City, LVVWD, or CCSD or which was caused by the Developer or (b) which existed on any of the property which is assessed at any time while the Developer owned the property or which was caused by the Developer, provided said condition was not caused by the deliberate action of the City, or (iii) any act or omission negligent or otherwise of the Developer or any of its subcontractors, agents or anyone who is directly employed by or acting in connection with the Developer or any of its subcontractors, or agents, in connection with the Project.

Nothing in the Development and Financing Agreement or any other document involving the District, nor the installation by way of the District of, or the assessment of the property within the District for, the water and sewage facilities shall be taken as a guarantee, promise or representation that water or sewage treatment capacity will be made available to the property in the District.

The City is not obligated to expend money other than from funds derived from the sale of the Bonds, amounts received from the investment thereof and amounts received as assessment payments nor is the City obligated to make any appropriation of funds for the Project

The Development and Financing Agreement shall be in effect from the date of execution of the Development and Financing Agreement, until the later of (i) the date that all of the Bonds or bonds issued to refund any of the Bonds have been retired, or (ii) the date on which all of the assessments against property within the District have been paid in full.

The obligations of the Developer under the Development and Financing Agreement (except the obligations to pay Assessments) are obligations of the Developer upon which the Developer is personally liable and which are also secured by a guarantee from The Rouse Company. The obligations under the Development and Financing Agreement to pay Assessments pertain only to the land owned by the Developer in the District and are not personal obligations of the Developer

### **THE ASSESSMENT ORDINANCE**

*Certain provisions of the Assessment Ordinance describing, among other things, the status of the Assessments and collection of delinquent Assessments are set forth elsewhere in this Official Statement See, "SECURITY FOR THE BONDS — Sale and Foreclosure Proceedings" and "—Prosecution of Foreclosure Actions by Owners and Other Remedies."*

#### **Levy of Assessments; Creation of Liens**

The City has levied and assessed against the lots, tracts and parcels of land in the District specially benefited by the Project certain amounts and assessments, as shown and described in the assessment roll for the District filed in the office of the County Recorder, for the purpose of financing the acquisition and improvement of the Project Each April 1 and October 1 is a "Payment Date "

The assessments will be levied on an area basis as described in the Engineer's Report on Benefits which has been filed with the Council. The unpaid assessments shall be payable at the office of the City Treasurer in [forty (40) substantially equal semiannual installments of principal and interest until paid in full, payable semiannually on April 1 and October 1 in each year, commencing on October 1, 2003 ] Interest on the unpaid and deferred installments of principal shall accrue from the effective date of the Assessment Ordinance at a rate or rates not to exceed one percent higher than the highest rate of interest on the Bonds

Pursuant to the Assessment Ordinance, the Assessments are a lien upon the lots, tracts and parcels of land in the District specially benefited by the Project from the effective date of the Assessment Ordinance until paid, coequal with the latest lien thereon to secure the payment of general (ad valorem) taxes and prior and superior to all other liens, claims, encumbrances and titles (other than the liens of assessments and general (ad valorem) taxes). The sale of any lot, tract or parcel of land in the District for general or other taxes shall not relieve such lot, tract or parcel of land from the related Assessment or the lien therefor, and such amounts shall continue to be a lien upon the lots, tracts and parcels of land assessed until paid in full (including all principal and interest thereon, and any penalties and collection costs).

#### **Collection of Assessments**

The installments of the Assessments are payable at the office of the City Treasurer. The City Treasurer will notify the owners of real property within the District, by publication or by mail, of the amounts becoming due and the last day for their payment. Failure to pay any installment, whether of principal or interest, when due shall cause the whole amount of the unpaid principal of such assessment to become due and payable immediately at the option of the City See, "SECURITY FOR THE BONDS — Sale and Foreclosure Proceedings " The whole amount of the unpaid principal and the interest that has accrued thereon shall after such delinquency, whether or not the option to accelerate the due date for the payment of the unpaid principal is exercised, bear a penalty at the rate of 2% (or at any higher rate authorized by statute or any lower rate, which may be 0%, for such period as determined by the City Treasurer) per month (not prorated for any portion of the month) until the day of sale or until paid; provided, however, that at any time prior to the date of such sale, the owner of any such lot or parcel may

pay the aggregate amount of all of the delinquent installments originally becoming due on or before the date of said payment, with accrued interest thereon and all penalties and costs of collection accrued, and shall thereupon be restored to the right thereafter to pay in installments in the same manner as if a default had not been suffered.

Assessment Installments or Assessment prepayments shall be reduced by the amount of any credits available for such purpose as provided in the Financing Agreement.

### **Prepayment of Assessments**

A property owner within the District may, at any time, prepay the whole or any portion of the unpaid principal of the Assessment with interest accruing thereon to the next Payment Date, together with a prepayment premium equal to the redemption premium on the Bonds. See, "THE BONDS — Redemption." After any partial prepayment of an assessment, the City Treasurer shall re-amortize the Assessment Installments due on the parcel on which the partial prepayment was made so that the remaining installments are semiannual substantially level installments of principal and interest with a final due date of April 1, 2023.

### **Apportionment of Assessments**

Before the collection of all the Assessment Installments, if any lot, tract or parcel of land within the District is divided, the Council may require the City Treasurer to apportion the uncollected amounts upon the several parts of land so divided. The report of such an apportionment, when approved, shall be conclusive on all the parties, and all assessments thereafter made upon the tracts shall thereafter be according to the subdivision. The report, when approved, shall be recorded in the office of the County Recorder of Clark County, Nevada, together with a statement that the current payment status of any of the assessments may be obtained from the City Treasurer. Neither the failure to record the report nor any defect in the report as recorded shall affect the validity of the assessments, the lien for the payment thereof or the priority of that lien. The City has covenanted in the Bond Ordinance that it will use its best efforts to apportion the Assessments in accordance with the Report. The City Council's determination that an apportionment is in accordance with the Report shall be conclusive and binding upon the owners of the property and the owners of the Bonds. The City Council's approval of an apportionment report shall be deemed conclusively to constitute a finding that the apportionment is in accordance with the Report.

### **Reapportionment and Combination of Assessments**

The Assessment Ordinance permits the reapportionment and combination of Assessments with the consent of property owners whose Assessment would be increased thereby if the City Council finds that the proposed action will not (i) materially or adversely impair the obligation of the City with respect to the Bonds or (ii) increase the principal balance of any Assessment to an amount such that the aggregate amount which is assessed against a tract exceeds the minimum benefit to the tract that is estimated to result from the project which is financed by the Assessment. In connection therewith, the City has covenanted that it will not make the finding described in clause (i) unless it first obtains a written report of a Qualified Engineer certifying that, based on a Qualified Appraisal Report, the Value-to-Lien Ratio (including in the calculation thereof any increase in the Assessment on any parcel as a result of such combination or reapportionment) for each parcel of the Property, if any, on which Assessments are increased as a result of such reapportionment is at least 3:1. The City also covenants that it will not make the finding described in clause (ii) unless it first obtains a written report of a Qualified Engineer stating that the proposed combination or reapportionment of Assessments will not increase the principal balance of any Assessment to an amount such that the aggregate amount which is assessed against a tract exceeds

the minimum benefit to the tract that is estimated to result from the project which is financed by the Assessment. In making either of the findings referred to above, the City Council will be entitled to rely upon the written report of a Qualified Engineer, and such written report shall be conclusive evidence of the conclusions set forth therein. The City Council will not make either of the findings described above, unless, as of the effective date of the proposed combination or reapportionment, there are no delinquencies in the payment of Assessment Installments on any parcels on which Assessments will be increased as a result of such combination or reapportionment.

**APPENDIX B**

**PROPOSED FORM OF LEGAL OPINION**

June \_\_, 2003

City Council  
City of Las Vegas, Nevada  
400 Stewart Avenue  
Las Vegas, NV 89101

**City of Las Vegas, Nevada  
Special Improvement District No. 809  
(Summerlin Area)  
Local Improvement Bonds  
Series 2003**

Ladies and Gentlemen:

We have acted as bond counsel to City of Las Vegas, Nevada (the "City"), in connection with the issuance by the City of its "City of Las Vegas, Nevada, Special Improvement District No. 809 (Summerlin Area), Local Improvement Bonds, Series 2003" in the aggregate principal amount of \$10,000,000 (the "Bonds") pursuant to an authorizing ordinance of the Board of City Commissioners (the "Board") adopted on May 7, 2003 (the "Bond Ordinance"). In such capacity, we have examined the City's certified proceedings and such other documents and such law of the State of Nevada and of the United States of America as we have deemed necessary to render this opinion letter. The Bonds are issued pursuant to the Bond Ordinance and, except as otherwise expressly defined herein, capitalized terms used herein have the meanings ascribed to such terms in the Bond Ordinance.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the certified proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as Bond Counsel that:

1. The Assessments which are part of the security for the Bonds have been duly and validly authorized in accordance with the provisions of the Act and constitute valid and binding liens upon the properties upon which they were confirmed, enforceable by the City in accordance with the provisions of the Act and the Bond Ordinance.

2. The Bonds have been duly authorized by the City, have been duly executed and delivered by authorized officials of the City, and are valid and legally binding obligations of the City payable solely from the Trust Estate, enforceable in accordance with their terms, except as the enforceability thereof may be limited by general principles of equity applicable to the Bonds (whether such enforceability is considered in a proceeding in equity or at law), and except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors' rights generally or against municipal corporations such as the City from time to time in effect and the Bonds are entitled to the benefits and security of the Bond Ordinance.

3. The Bond Ordinance has been duly authorized by the City, has been duly executed and delivered by authorized officials of the City, is in full force and effect, and, constitutes a valid and legally binding obligation of the City enforceable in accordance with its terms, except as the enforceability thereof may be limited by general principles of equity applicable to such documents (whether such enforceability is considered in a proceeding in equity or at law) and except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors' rights generally or against municipal corporations such as the City from time to time in effect.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the City's certified proceedings and in certain other documents or certain other certifications furnished to us.

5. Pursuant to the Consolidated Local Improvements Law, the Bonds, their transfer, and the income therefrom, are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed by Chapter 375A of NRS or the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the City pursuant to the Bonds and the Bond Ordinance are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Nevada and its governmental bodies of the police power inherent in the sovereignty of the State of Nevada, and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy or completeness of the Official Statement or any other statements made in connection with any sale of the Bonds or upon any federal or Nevada tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to update or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

**APPENDIX C**  
**THE APPRAISAL**  
**[TO COME FROM APPRAISER]**

## APPENDIX D

### INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY

*The information concerning DTC set forth herein has been supplied by The Depository Trust Company ("DTC"), and the City assumes no responsibility for the accuracy thereof*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating. AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co or such other DTC nominee do not effect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bond, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the city or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

## APPENDIX E

### FORM OF CITY CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by City of Las Vegas, Nevada (the "Issuer") in connection with the issuance of City of Las Vegas, Nevada Special Improvement District No 809 (Summerlin Area) Local Improvement Bonds, Series 2003 in the aggregate principal amount of \$10,000,000 (the "Bonds"). The Bonds are being issued pursuant to the bond ordinance (the "Ordinance") adopted by the Issuer on May 7, 2003. The Issuer covenants and agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities Exchange Commission.

SECTION 2 Definitions. In addition to the definitions set forth in the Bond Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. An updated list of National Repositories is available on the Internet at [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm). Currently, the following are National Repositories:

Bloomberg Municipal Repositories  
P. O. Box 840  
Princeton, NJ 08542-0840  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
E-mail. [Munis@Bloomberg.com](mailto:Munis@Bloomberg.com)

Standard & Poor's J.J. Kenny Repository  
55 Water Street, 45th Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax. (212) 438-3975  
E-mail. [nrmsir\\_repository@sandp.com](mailto:nrmsir_repository@sandp.com)

DPC Data, Inc  
One Executive Drive  
Fort Lee, NJ 07046  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
E-mail: [nrmsir@dpcdata.com](mailto:nrmsir@dpcdata.com)

Interactive Data  
Attn: Repository  
100 Williams Street  
New York, NY 10038  
Phone: (212) 771-6899  
Fax: (212) 771-7390  
E-mail: [NRMSIR@interactivedata.com](mailto:NRMSIR@interactivedata.com)  
Website: <http://www.InteractiveData.com>

“Participating Underwriter” shall mean Stone & Youngberg LLC and any other original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Nevada as a state information depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

### SECTION 3. Provision of Annual Reports.

1. The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer’s fiscal year of each year, commencing nine (9) months following the end of the Issuer’s fiscal year ending June 30, 2003, provide to each Repository and each Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

2. If the Issuer is unable to provide to the Repositories and the Participating Underwriter an Annual Report by the date required in subsection (1), the Issuer shall send a notice to the Municipal Securities Rulemaking Board (“MSRB”), the Participating Underwriters and to the State Repository, if any, in substantially the form attached as Exhibit “A.”

3. The Dissemination Agent shall.

(a) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any, and

(b) (if the Dissemination Agent is other than the Issuer) file a report with the Issuer certifying the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories and the Participating Underwriters to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(l) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the information of the type contained in the tables in the Official Statement, identified in Exhibit "B" hereto.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Significant Events. The Issuer shall provide or cause to be provided, in a timely manner, to the MSRB, the Participating Underwriters and the State Repository, if any, notice of any of the following events with respect to the Bonds, if such event is material:

- a. Principal and interest payment delinquencies,
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- g. Modifications to rights of bondholders;
- h. Bond calls;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the Bonds (that is, the Assessments, but not the various parcels upon which they were levied); or
- k. Rating changes.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an

“obligated person” within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure certificate may be waived, without the consent of the holders of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using, the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of a Listed Event in addition to what which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Participating Underwriter and any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking, mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_, 2003

CITY OF LAS VEGAS, NEVADA

By: \_\_\_\_\_  
MAYOR

**EXHIBIT "A"**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Las Vegas, Nevada

Name of Bond Issue: City of Las Vegas, Nevada Special Improvement District No. 809 (Summerlin Area) Local Improvement Bonds, Series 2003 in the aggregate principal amount of \$10,000,000.

Date of Issuance: \_\_\_\_\_, 2003

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 20 of the Bond Ordinance adopted May 7, 2003, and the Continuing Disclosure Certificate executed on June 1, 2003 by the Issuer. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

CITY OF LAS VEGAS, NEVADA

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT "B"

1. The table entitled "Sources and Uses of Funds" setting forth the principal amount of Bonds outstanding and the balance on deposit in the Bond Fund, the Bond Reserve Fund and the Construction Fund.

2. The percentage of the Assessment Installments levied that were collected in the Fiscal Year in question and:

(a) With respect to Assessment Installments that are more than 90 days delinquent, the amount of each delinquency, the length of time delinquent and the date on which foreclosure or sale proceedings were commenced, or similar information pertaining to delinquencies deemed appropriate by the Issuer, provided, however, that parcels with delinquencies of \$1,000 or less may be grouped together and such information may be provided by category;

(b) The status of sale or foreclosure proceedings related to property within the District with one or more delinquent Assessment Installments and a summary of the results of any sales; and

(c) To the extent not prohibited by law, the identity of any owner (as shown in the records of the Clark County Assessor or as otherwise known to the Issuer) who is delinquent in payment of Assessments which represent more than 5% of the total outstanding Assessments

3 To the extent not prohibited by law, a land ownership summary listing property owners (as shown in the records of the Clark County Assessor or as otherwise known to the Issuer) responsible for more than 10% of the outstanding Assessments.

4 The number of parcels within the District, the number of such parcels with improvements thereon, the total "Assessor's Taxable Value" of the parcels and the total "Assessor's Taxable Value" of the improvements thereon (all as shown in the records of the Clark County Assessor) and the total amount of the unpaid Assessments.

## APPENDIX F

### FORM OF DEVELOPER CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of June 1, 2003, is entered into between the City of Las Vegas, Nevada (the "City") and The Howard Hughes Corporation, a Delaware corporation (the "Developer").

WHEREAS, pursuant to the Consolidated Local Improvements Law, being Chapter 271 of the Nevada Revised Statutes, the City has created its Special Improvement District No. 809 (Summerlin Area) (the "District") and ordered the acquisition of certain street, water, sanitary sewer, storm sewer, and other improvements (the "Project") and determined to defray all of the cost and expense of the acquisition of the Project by special assessments levied against the benefited parcels of land in the District; and

WHEREAS, the City has determined that it is necessary and in the best interests of the City and the inhabitants thereof that the City issue its City of Las Vegas, Nevada, Special Improvement District No. 809 (Summerlin Area) Local Improvement Bonds, Series 2003 (the "Bonds") in the aggregate principal amount of \$10,000,000 to finance a portion of the costs of the Project; and

WHEREAS, the Bonds are being issued pursuant to the City's Ordinance No. \_\_\_\_ (the "Ordinance"); and

WHEREAS, the Developer is the owner of a substantial portion of the property within the District and is developing such property as a master planned community; and

WHEREAS, the Disclosure Agreement is being executed and delivered by the Developer and the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities Exchange Commission.

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

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Affiliate" of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other Person, (b) any Person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person; for purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

"Annual Report" means any Annual Report provided by the Developer pursuant to, and as described in, Sections 2 and 3 of this Disclosure Agreement.

"Assumption Agreement" means an agreement between a Major Developer, or an Affiliate thereof, and the Developer containing terms substantially similar to this Disclosure Agreement, whereby such Major Developer or Affiliate agrees to provide annual reports and notices of significant events with respect to the portion of the Property owned by such Major Developer and its Affiliates.

“Bond Counsel” means an attorney or a firm of attorneys whose experience in matters relating to the issuance of obligations by the states and their political subdivisions and the tax-exempt status of the interest thereon is recognized nationally.

“Development Plan” means, with respect to a Major Developer, the specific improvements such Developer intends to make, or cause to be made, to such Major Developer’s Property in order for such Property to reach the Planned Development Stage, the time frame in which such improvements are intended to be made and the estimated costs of such improvements; the Developer’s Development Plan, as of the date hereof, is described in the Official Statement under the caption “THE DEVELOPMENT PLAN.”

“Dissemination Agent” means, initially, the Developer, or any successor Dissemination Agent designated in writing by the Developer and which has filed with the Developer a written acceptance of such designation.

“Event of Bankruptcy” means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of such Person’s debts or obligations, or offers to such Person’s creditors to effect a composition or extension of time to pay such Person’s debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person’s debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person’s creditors.

“Financing Plan” means, with respect to a Major Developer, the method by which such Major Developer intends to finance its Development Plan, including specific sources of funding for such Development Plan; the Developer’s Financing Plan, as of the date hereof, is described in the Official Statement under the caption “THE DEVELOPER’S FINANCING PLAN.”

“Financial Statements” means, with respect to a Major Developer, the full financial statements, special purpose financial statements, project operating statements or other reports reflecting the financial position of each entity, enterprise, fund, account or other person (other than a financial institution acting as a lender in the ordinary course of business) identified in such Major Developer’s Development Plan or its Financing Plan as a source of funding for such Major Developer’s Development Plan, which statements shall be prepared in accordance with generally accepted accounting principles, as in effect from time to time, and which statements may be audited or unaudited; provided that, if such financial statements or reports are otherwise prepared as audited financial statements or reports, then “Financial Statements” means such audited financial statements or reports. The term “Financial Statements” does not include financial statements of the Developer, because it is not identified in the Developer’s Development Plan or its Financing Plan as a source of funding for its Development Plan.

“Listed Events” means any of the events listed in Section 6(a) of this Disclosure Agreement.

“Major Developer” means any Property Owner, including the Developer, which owns Property that has not reached the Planned Development Stage that, together with Property that has not reached the Planned Development Stage owned by Affiliates of such Property Owner, is equal to or greater than 20% of the total area of the Property.

“National Repository” means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

“Official Statement” means the Official Statement, dated \_\_\_\_\_, 2003 relating to the Bonds.

“Participating Underwriter” means Stone & Youngberg LLC and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Planned Development Stage” means, with respect to any portion of the Property, the stage of development to which the Developer intends to develop such Property, as described in the Official Statement and consists of the installation of all improvements (including the Project, but excluding “in-tract” or “onsite” improvements) required in order to develop parcels as “merchant builder” parcels or “master pads” (or the equivalent thereof in the case of non-residential parcels) for sale to merchant builders or other developers consistent with the previous merchant builder developments in Summerlin.

“Property” means the real property within the boundaries of the District that is subject to an unpaid Assessment.

“Property Owner” means any Person that owns a fee interest in any Property except the County if the County has acquired such title as a result of foreclosure proceedings.

“Repository” means each National Repository and each State Repository.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Semi-Annual Report” means any Semi-Annual Report provided by the Developer pursuant to, and as described in, Sections 4 and 5 of this Disclosure Agreement.

“State Repository” means any public or private repository or entity designated by the State of Nevada as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository.

## Section 2. Provision of Annual Reports.

(a) The Developer shall provide, or cause to be provided, to each Repository and each Participating Underwriter an Annual Report which is consistent with the requirements of Section 3 of this Disclosure Agreement, not later than April 1 of each year, commencing April 1, 2004. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 3 of this Disclosure Agreement; provided, however, that if audited Financial Statements are required to be provided, such audited Financial Statements may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report to Repositories, the Developer shall provide the Annual Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not received a copy of the Annual

Report, the Dissemination Agent shall contact the Developer to determine if the Developer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories and each Participating Underwriter by the date required in subsection (a), the Dissemination Agent shall send a notice to the Municipal Securities Rulemaking Board, the Participating Underwriters and the appropriate State Repository, if any, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any;

(ii) provide any Annual Report received by it to each Repository and each Participating Underwriter, as provided herein; and

(iii) file a report with the Developer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories and Participating Underwriters to which it was provided.

Section 3. Content of Annual Reports. The Developer's Annual Report shall contain or incorporate by reference the following:

(a) Financial Statements for the prior fiscal year. If audited Financial Statements are required to be provided, and such audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited Financial Statements, and the audited Financial Statements shall be filed in the same manner as the Annual Report when they become available. Such Financial Statements shall be for the most recently ended fiscal year for the entity covered thereby.

(b) The following information with respect to each Major Developer:

(i) If information regarding such Major Developer has not previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, the Development Plan of such Major Developer or, if information regarding such Major Developer has previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, a description of the progress made in the Development Plan of such Major Developer since the date of such information and a description of any significant changes in such Development Plan and the causes or rationale for such changes.

(ii) If information regarding such Major Developer has not previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, the Financing Plan of such Major Developer or, if information regarding such Major Developer has previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, a description of any significant changes in the Financing Plan of such Major Developer and the causes or rationale for such changes and an update of the table appearing on page \_\_\_ of the Official Statement.

(iii) A description of any sales of portions of such Major Developer's Property during the period covered by such report and not previously reported in an Annual Report or a Semi-Annual Report, including the identification of each buyer, the identification of each parcel by

reference to its village and letter designation (as described in the Official Statement under the caption "THE DEVELOPMENT PLAN" and as depicted in the diagram on page \_\_ of the Official Statement) and the number of acres sold, all generally in the form of the table appearing in the Official Statement under the caption "THE DISTRICT — Sales of Property," provided, however, that sales of five or fewer acres may be aggregated for purpose of such description.

(iv) A description of how many acres of Property were owned by such Major Developer as of the end of the period covered by such report, how many acres of such Major Developer's Property reached the Planned Development Stage during such period and how many acres of such Major Developer's Property had not reached the Planned Development Stage as of the end of such period.

(v) With respect to such Major Developer's Property that had reached the Planned Development Stage as of the end of the period covered by such report, a description of how much of such property has buildings constructed thereon and a description of the type of such buildings.

(vi) An update of the status of any previously reported Listed Event.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the Developer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Major Developers that are Affiliates of each other may file a single Annual Report covering all such entities. Any or all of the items listed above may be included by specific reference to other documents which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Developer shall clearly identify each such other document so included by reference.

#### Section 4. Provision of Semi-Annual Reports.

(a) The Developer shall provide, or cause to be provided, to each Repository and each Participating Underwriter an Semi-Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate, not later than October 1 of each year, commencing October 1, 2003. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 5 of this Disclosure Certificate.

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Semi-Annual Report to Repositories, the Developer shall provide the Semi-Annual Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not received a copy of the Semi-Annual Report, the Dissemination Agent shall contact the Developer to determine if the Developer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Semi-Annual Report has been provided to the Repositories and each Participating Underwriter by the date required in subsection (a), the Dissemination Agent shall send a notice to the Municipal Securities Rulemaking Board, the Participating Underwriters and the appropriate State Repository, if any, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Semi-Annual Report the name and address of each National Repository and each State Repository, if any,

(ii) provide any Semi-Annual Report received by it to each Repository and each Participating Underwriter, as provided herein; and

(iii) file a report with the Developer certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories and Participating Underwriters to which it was provided.

Section 5. Content of Semi-Annual Reports. The Developer's Semi-Annual Report shall contain or incorporate by reference the following for the first six months of the Developer's fiscal year:

(a) The following information with respect to each Major Developer:

(i) If information regarding such Major Developer has not previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, the Development Plan of such Major Developer or, if information regarding such Major Developer has previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, a description of the progress made in the Development Plan of such Major Developer since the date of such information and a description of any significant changes in such Development Plan and the causes or rationale for such changes.

(ii) If information regarding such Major Developer has not previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, the Financing Plan of such Major Developer or, if information regarding such Major Developer has previously been included in an Annual Report or a Semi-Annual Report or in the Official Statement, a description of any significant changes in the Financing Plan of such Major Developer and the causes or rationale for such changes.

(iii) A description of any sales of portions of such Major Developer's Property during the period covered by such report and not previously reported in an Annual Report or a Semi-Annual Report, including the identification of each buyer, the identification of each parcel by reference to its village and letter designation (as described in the Official Statement under the caption "THE DEVELOPMENT PLAN" and as depicted in the diagram on page \_\_\_ of the Official Statement) and the number of acres sold, all generally in the form of the table appearing in the Official Statement under the caption "THE DISTRICT — Sales of Property;" provided, however, that sales of five or fewer acres may be aggregated for purpose of such description.

(iv) A description of how many acres of Property were owned by such Major Developer as of the end of the period covered by such report, how many acres of such Major Developer's Property reached the Planned Development Stage during such period and how many acres of such Major Developer's Property had not reached the Planned Development Stage as of the end of such period.

(v) With respect to such Major Developer's Property that had reached the Planned Development Stage as of the end of the period covered by such report, a description of how much of such property has buildings constructed thereon and a description of the type of such buildings.

(vi) An update of the status of any previously reported Listed Event.

(b) In addition to any of the information expressly required to be provided under paragraph (a) of this Section, the Developer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Major Developers that are Affiliates of each other may file a single report covering all such entities. Any or all of the items listed above may be included by specific reference to other documents which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Developer shall clearly identify each such other document so included by reference.

Section 6 Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Developer shall promptly give, or cause to be given notice of the occurrence of any of the following events with respect to each Major Developer:

(i) Any conveyance by such Major Developer of Property owned by such Major Developer to an entity that is not an Affiliate of such Major Developer, the result of which conveyance is to cause the transferee to become a Major Developer.

(ii) Any failure of such Major Developer, or any Affiliate of such Major Developer, to pay when due general property taxes or assessments with respect to its Property.

(iii) Any denial or termination of credit, any denial or termination of, or default under, any line of credit or loan or any other loss of a source of funds that could have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer, to pay Assessment Installments when due

(iv) The occurrence of an Event of Bankruptcy with respect to such Major Developer, or any Affiliate of such Major Developer, that could have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer, to pay Assessment Installments when due.

(v) Any significant amendments to land use entitlements for such Major Developer's Property, if material.

(vi) Any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on such Major Developer's Property, if material

(vii) Any previously undisclosed legislative, administrative or judicial challenges to development on such Major Developer's Property, if material

(viii) Any changes, if material, in the alignment, design or likelihood of completion of significant public improvements affecting such Major Developer's Property, including major thoroughfares, sewers, water conveyance systems and similar facilities

(ix) The assumption of any obligations by a Major Developer pursuant to Section 7

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (c).

(c) If the Dissemination Agent has been instructed by the Developer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board, each Participating Underwriter and each State Repository.

Section 7. Assumption of Obligations. If a portion of the Property owned by the Developer, or any Affiliate of the Developer, is conveyed to a Person that, upon such conveyance, will be a Major Developer, the obligations of the Developer hereunder with respect to the Property owned by such Major Developer and its Affiliates may be assumed by such Major Developer or by an Affiliate thereof. In order to effect such assumption, such Major Developer or Affiliate shall enter into an Assumption Agreement.

Section 8. Termination of Reporting Obligation. All of the Developer's obligations hereunder shall terminate (except as provided in Section 12) upon (a) the legal defeasance, prior redemption or payment in full of all the Bonds or (b) the date on which the Property owned by the Developer is less than 20% of the total area of the Property so long as all Major Developers have executed an Assumption Agreement. The Developer's obligations under this Disclosure Agreement with respect to a Major Developer shall terminate upon the earliest to occur of (a) the date on which such Major Developer is no longer a Major Developer, as defined herein, (b) the date on which the Developer's obligations with respect to such Major Developer are assumed under an Assumption Agreement entered into pursuant to Section 7, and (c) the date on which all Assessments levied on the Property owned by such Major Developer and its Affiliates are paid or prepaid in full; provided however, upon the occurrence of any of the events described in clauses (a) through (c), the Developer's obligations hereunder with respect to each other Major Developer, if any, shall remain in full force and effect. Upon the occurrence of any such termination prior to the final maturity of the Bonds, the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 6.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Developer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Developer), and any provision of this Disclosure Agreement may be waived, provided that the undertakings herein, as proposed to be amended or waived, would, in the opinion of Bond Counsel approved by the County, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

As required by the Rule, if an amendment is made to the provisions hereof specifying the accounting principles to be followed in preparing Financial Statements, the annual financial information for the year in which the change is made shall present a comparison between the Financial Statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison shall be quantitative. A

notice of the change in the accounting principles shall be sent to the Repositories in the manner as for a Listed Event under Section 6

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Developer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the written request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds and upon being indemnified to its reasonable satisfaction against the costs, expenses and liabilities to be incurred in compliance with such request, shall), or any Participating Underwriter or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not have any responsibility for the content of any Annual Report. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Developer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Dissemination Agent, the Developer, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Assignability. The Developer shall not assign this Disclosure Agreement or any right or obligation hereunder except to the extent permitted to do so under the provisions of Section 6 hereof. The Dissemination Agent may, without the consent of the Developer, but only with the consent of the City, assign this Disclosure Agreement and the Dissemination Agent's rights and obligations hereunder to a successor Dissemination Agent.

Section 15. Counterparts This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

DATE: \_\_\_\_\_, 2003

THE HOWARD HUGHES CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

CITY OF LAS VEGAS, NEVADA

By: \_\_\_\_\_

Mayor

(SEAL)

\_\_\_\_\_  
City Clerk

**EXHIBIT A**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO  
FILE ANNUAL REPORT**

Name of Obligated Person: The Howard Hughes Corporation

Name of Bond Issue: City of Las Vegas, Nevada Special Improvement District No. 809  
(Summerlin Area) Local Improvement Bonds, Series 2003

Date of Issuance: \_\_\_\_\_, 2003

NOTICE IS HEREBY GIVEN that The Howard Hughes Corporation has not provided an Annual Report with respect to the above-named Bonds as required by Section 2 of its Continuing Disclosure Agreement, dated as of June \_\_, 2003. The Howard Hughes Corporation anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

[NAME OF DISSEMINATION AGENT]

cc: The Howard Hughes Corporation

**CITY OF LAS VEGAS, NEVADA  
SPECIAL IMPROVEMENT DISTRICT NO. 809  
(SUMMERLIN AREA)  
LOCAL IMPROVEMENT BONDS, SERIES 2003**

**BOND PURCHASE AGREEMENT**

June \_\_, 2003

Honorable City Council  
City of Las Vegas  
Las Vegas, Nevada

Dear Members of the City Council:

Stone & Youngberg LLC (the "Underwriter"), acting not as a fiduciary or an agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement with the City of Las Vegas, Nevada (the "City"), which will be binding upon the City and upon the Underwriter upon acceptance. This offer is made subject to the City's acceptance by the execution of this Bond Purchase Agreement and its delivery to the Underwriter before 5:00 p.m., local time, on the date set forth hereinabove, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Capitalized terms which are not otherwise defined herein shall have the respective meanings ascribed to them in the City's Ordinance No. \_\_\_\_ adopted on May 7, 2003 (the "Bond Ordinance").

**Section 1.     *Purchase, Sale and Delivery of the Bonds.***

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the City of Las Vegas, Nevada Special Improvement District No 809 (Summerlin Area) Local Improvement Bonds, Series 2003 (the "Bonds") in the aggregate principal amount of \$10,000,000. The Bonds are to be dated as of the date of the Closing (as hereinafter defined), bear interest from said date (payable on June 1 and December 1 in each year commencing on December 1, 2003) at the rates per annum, and mature on the dates and in the amounts, set forth in Exhibit A hereto. The aggregate purchase price of the Bonds shall be the amount which is set forth as such in said Exhibit A. The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and be subject to redemption as provided in, the Bond Ordinance and Chapter 271 of the Nevada Revised Statutes, the Consolidated Local Improvements Law (the "Act").

(b) By official action of its City Council the City has authorized and approved the use of the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") and has authorized an appropriate City official to deem the Preliminary Official

Statement “final” for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), except for the information permitted to be omitted from the Preliminary Official Statement by Rule 15c2-12; and the City hereby approves as the Official Statement relating to the Bonds the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto with the approval of the City’s Bond Counsel and the Underwriter from time to time prior to the Closing Date (the “Official Statement”). It is a condition of the offer of the Underwriter made hereby that the City deliver to the Underwriter within seven business days of the date hereof a sufficient quantity of copies of the Official Statement to enable the Underwriter to comply with the Underwriter’s obligations under Rule 15c2-12 (such quantity to be specified by the Underwriter as promptly as practicable after the City’s execution of this Bond Purchase Agreement). The City hereby ratifies any prior use and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, the Bond Ordinance, the City’s Ordinance No. \_\_\_\_ (the “Assessment Ordinance”), the Development and Financing Agreement, dated as of February 1, 2003, by and between The Howard Hughes Corporation, a Delaware corporation (the “Developer”) and the City (the “Financing Agreement”), and this Bond Purchase Agreement (together with the Official Statement, the Bond Ordinance, the Assessment Ordinance and the Financing Agreement, the “City Documents”) and all information contained herein, and all other documents, certificates and statements furnished by the City to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement.

(c) Except as the City and the Underwriter may otherwise agree, the City will deliver to the Underwriter, at 9:00 a.m. local time, on \_\_\_\_\_, 2003 or such later date as may be acceptable to the Underwriter (the “Closing Date”). (i) at the offices of The Depository Trust Company in New York, New York, or at such other location as may be designated by the Underwriter, the Bonds, in definitive form duly executed by the City in the manner provided for in the Bond Ordinance and the Act; and (ii) at the Las Vegas offices of Swendseid & Stern, a member in Sherman & Howard L.L.C. (“Bond Counsel”), or at such other location as may be designated by the Underwriter and agreed to by the City, the documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Bonds in immediately available funds (such delivery and payment being herein referred to as the “Closing”). The Bonds shall be in fully registered form, registered in the name of Cede & Co., and shall be delivered to the offices of The Depository Trust Company or its agent not later than 24 hours prior to the Closing.

Section 2. *Representation, Warranties and Agreements of the City.* The City represents and warrants to and agrees with the Underwriter that:

(a) The City is a municipality and a political subdivision duly organized and validly existing under the Nevada Constitution, the laws of the State of Nevada and the City’s Charter and has, and at the Closing Date will have, full legal right, power and authority (i) to enter into this Bond Purchase Agreement, (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the City Documents.

(b) The City has complied with, and will at the Closing Date be in compliance in all respects with, the Act and all other applicable laws and agreements compliance with which would be a condition precedent to the formation of its Special Improvement District

No 809 (Summerlin Area) (the "District"), the levy of assessments on the assessable property within the District (the "Assessments") and the issuance of the Bonds.

(c) The City has, or prior to the Closing Date, will have, duly and validly (i) adopted the Assessment Ordinance and the Bond Ordinance, (ii) approved and authorized the execution and delivery of the Bonds and the City Documents; and (iii) authorized and approved the performance by the City of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of said documents. At the Closing Date, the Assessment Ordinance and the Bond Ordinance will be in full force and effect, and the Bond Ordinance will constitute the valid, legal and binding obligation of the City. At the Closing Date (assuming due authorization, execution and delivery by the other parties thereto, where necessary, and the enforceability thereof against such other parties) the Bonds, the Financing Agreement, and this Bond Purchase Agreement (collectively, the "City Agreements") will constitute the valid, legal and binding obligations of the City, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought.

(d) The City is not, and as of the Closing Date will not be, in breach of or default under any law or administrative rule or regulation of the State of Nevada or the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, indenture, contract, agreement or other instrument to which the City is party or is otherwise subject or bound which breach or default would have a material adverse affect on the City's ability to perform its obligations with respect to the District or the Bonds under the Act and the City Documents; and the approval, execution and delivery of the City Agreements and the Assessment Ordinance, the Bond Ordinance, and the other instruments contemplated by any of such documents to which the City is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of Nevada or the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound in any manner that would materially adversely affect the City's ability to perform its obligations with respect to the District or the Bonds under the Act and the City Documents

(e) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City of its obligations with respect to the District or the Bonds under the Act and the City Documents have been or will be obtained and are or will be in full force and effect.

(f) The descriptions contained in the Official Statement of the Bond Ordinance, the Assessment Ordinance and the City Agreements are fair and accurate descriptions thereof; and the Bonds, when delivered to and paid for by the Underwriter on the Closing Date as provided herein, will be validly issued and outstanding and entitled to all the benefits and security of the Act and the Bond Ordinance

(g) The City will proceed with due diligence to acquire, or to cause to be constructed, the improvements for which the Assessments have been levied (the "Project"), all in accordance with the Act and the Financing Agreement and as described in the Official Statement.

(h) The Assessments have been duly and lawfully levied under and pursuant to the Act and the Assessment Ordinance; and each Assessment constitutes a valid and legally binding lien on the parcel of land on which it was levied. To the best of the City's knowledge, except as disclosed in the Official Statement, there are no outstanding liens for general (ad valorem) taxes or assessment liens against any of the land in the District which are senior to the lien of the Assessments or assessment liens against any of such land which are co-equal to the lien of the Assessments.

(i) The Official Statement (except the portions thereof entitled "THE DISTRICT," "THE DEVELOPER," "THE DEVELOPMENT PLAN," and "THE DEVELOPER'S FINANCING PLAN," the material in the SUMMARY STATEMENT and under the caption "INTRODUCTION" that summarizes information under the foregoing captions, Appendices B, C, D and F thereto, references to and summaries or descriptions of the Appraisal, and the information concerning the pricing of the Bonds supplied by the Underwriter, as to which no view is expressed) is and will be, as of the Closing Date, true, correct and complete in all material respects; and the Official Statement (except the portions thereof mentioned above, as to which no view is expressed) does not and will not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) During the period commencing on the date hereof and ending on the date 25 days after the end of the "underwriting period" (as defined in Rule 15c2-12), if any event shall occur as a result of which it may be necessary to supplement the Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the City shall forthwith notify the Underwriter of any such event of which it has knowledge and, if such event requires an amendment or supplement to the Official Statement, the City will at its expense amend or supplement the Official Statement in a form and manner jointly approved by the City and the Underwriter.

(k) The City has taken all actions required to be taken by it so that the Trust Estate referred to in the Bond Ordinance is and will be pledged to the payment of the principal of, redemption premium, if any, and interest on the Bonds, subject in all cases to the provisions of the Bond Ordinance and the Act permitting the application thereof for the purposes and on the terms and conditions set forth therein

(l) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body is pending, or to the knowledge of the City, threatened, in any way affecting the existence of the City or the titles of its officers to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Ordinance, the Financing Agreement and the Act, the acquisition of the Project, the collection or application of Assessments, or the pledge of the Trust Estate, or in any way contesting or affecting the validity or enforceability of the Bond Ordinance, the Assessment

Ordinance, any of the City Agreements or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or the powers of the City or its authority with respect to the City Documents or any action of the City contemplated by any of them, or in any way seeking to enjoin or restrain the City from approving the development of any of the property within the District, or which would adversely affect the exclusion from gross income for purposes of federal income taxation of interest paid on the Bonds; nor to the knowledge of the City, is there any basis therefor.

(m) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, provided that the City shall not be required to consent to service of process in any jurisdiction and provided further that no such action shall be at the expense of the City. It is understood that the City is not responsible for compliance with or the consequences of failure to comply with applicable "Blue Sky" laws.

(n) Any certificate signed by any official of the City authorized to do so shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(o) The City will apply the proceeds of the Bonds in accordance with the Act and the City Documents

(p) The City will take any and all actions reasonably necessary to assure the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds and will not take any action, or permit any action to be taken with respect to which it may exercise control, which would result in the loss of that exclusion.

(q) The City will not spend any proceeds from the sale of the Bonds to pay for improvements that will be owned by an entity other than the City unless concurrently with such payment such improvements will be accepted by such other entity.

Section 3. *Conditions to the Obligations of the Underwriter.* The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the City contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the City, as well as of the other individuals referred to herein, made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Bond Ordinance, the Assessment Ordinance, and the City Agreements shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter; and there shall have been taken in connection with the issuance of the Bonds and with the transactions contemplated thereby and by this Bond Purchase Agreement, all such actions as, in the opinion of Bond Counsel shall be necessary and appropriate.

(b) At the Closing Date, the Official Statement shall be in form and substance satisfactory to the Underwriter.

(c) Between the date hereof and the Closing Date, the market price or marketability of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(i) legislation introduced in or enacted by the Congress or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation has been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any holders of the Bonds;

(ii) legislation introduced in or enacted by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Bond Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise would be in violation of the federal securities laws as amended and then in effect;

(iii) a general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by federal or State of Nevada officials authorized to do so, or a war or the escalation of military activity, terrorist activity or other national calamity;

(iv) the withdrawal or downgrading of any rating of any securities of the City by a national rating agency;

(v) any amendment to the federal or Nevada Constitution or action by any federal or Nevada court, legislative body, regulatory body or other authority materially adversely affecting its property, income, securities (or interest thereon), the validity, priority or enforceability of the Assessments or the ability of the City to acquire and construct the Project as contemplated by the Assessment Ordinance, the Financing Agreement and the Official Statement; or

(vi) any event occurring, or information becoming known which, in the judgment of the Underwriter after consultation with the City, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) At or prior to the Closing Date, the Underwriter shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) The Official Statement, approved by the City and the Developer;

(ii) The remainder of the City Documents, each substantially in the form duly approved by the City prior to the date hereof and shall not have been further amended or modified (except as may have been agreed to by the Underwriter) and shall be in full force and effect as of the Closing Date,

(iii) An unqualified opinion of Bond Counsel, dated the Closing Date and addressed to the City, in substantially the form appended to the Official Statement, together with a letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(iv) An opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that (1) this Bond Purchase Agreement has been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the Underwriter, constitutes a legal, valid and binding agreement of the City, enforceable in accordance with its terms, subject to bankruptcy, insolvency, and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought; (2) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended; (3) the Bond Ordinance is exempt from qualification under the Trust Indenture Act of 1939, as amended; (4) the statements on the cover of the Official Statement and under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS," and "TAX MATTERS" and in the last paragraph under the caption "CERTAIN RISK FACTORS — Governmental Ownership Interests in the Property" and in Appendix A, insofar as such statements purport to summarize certain provisions of the Bonds, the security for the Bonds, the Bond Ordinance, the Assessment Ordinance, the Financing Agreement and the opinion of Bond Counsel concerning certain federal and Nevada tax matters relating to the Bonds, are accurate in all material respects, and (5) the Assessments have been duly and lawfully levied under and pursuant to the Act and are secured by a lien upon the respective parcels assessed;

(v) A letter, dated the Closing Date and addressed to the Underwriter, of Stradling Yocca Carlson & Rauth, a Professional Corporation, to the effect that (i) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as

amended, (ii) the Bond Ordinance is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (iii) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the City, Bond Counsel, the Developer, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which would lead them to believe that the Official Statement, as of its date and as of the Closing Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion or belief is required to be expressed as to any information relating to The Depository Trust Company or with respect to any financial or statistical data or forecasts, any estimates, any assumptions or any expressions of opinion, including but not limited to the Appraisal), together with a letter dated the Closing Date and addressed to the City to the effect that the City may rely on the aforesaid letter;

(vi) A certificate, dated the Closing Date and signed by the City Treasurer or his designee, to the effect that (1) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (2) to the best knowledge of said officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (3) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Act and the City Documents at and prior to the Closing Date,

(vii) An opinion of the City Attorney of the City or a deputy thereof, dated the Closing Date and addressed to the Underwriter, to the effect that (1) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or, to his knowledge, threatened in any way affecting the existence of the City or the titles of its officers to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Ordinance, the Financing Agreement and the Act, the acquisition of the Project, the collection or application of Assessments, or the pledge of the Trust Estate, or in any way contesting or affecting the validity or enforceability of the Bond Ordinance, the Assessment Ordinance, any of the City Agreements or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or the powers of the City or its authority with respect to the City Documents or any action of the City contemplated by any of them, or in any way seeking to enjoin or restrain the City from approving the development of any of the property within the District, nor to his knowledge is there any basis therefor, (2) the City is duly organized and validly existing as a municipality and a political subdivision of the State of Nevada, with full legal right, power and authority to issue the Bonds and to perform all of its obligations under the City Documents; (3) the City has duly adopted the Bond Ordinance and the Assessment Ordinance and

each of them is in full force and effect, (4) the City has duly approved and authorized the delivery of the Official Statement, (5) the City has duly and validly approved, executed and delivered the City Agreements and, assuming due authorization, execution and delivery by the other parties thereto and hereto, the City Agreements constitute legal, valid and binding agreements of the City enforceable in accordance with their terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought (it being understood that no opinion need be expressed as to the validity and enforceability of the Bonds); (6) the City is not in breach of or default under any law or administrative rule or regulation of the State of Nevada or the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, indenture, contract, agreement or other instrument to which the City is party or is otherwise subject or bound which breach or default would have a material adverse affect on the City's abilities to perform its obligations with respect to the District or the Bonds under the Act and the City Documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of Nevada or the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound in any manner that would materially adversely affect the City's ability to perform its obligations with respect to the District or the Bonds under the Act and the City Documents, (7) all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City of its obligations with respect to the District or the Bonds hereunder and under the Act and the City Documents (other than certain approvals contemplated in the Financing Agreement) have been or will be obtained and are or will be in full force and effect (it being understood that no opinion need be expressed with respect to laws and permits relating to the construction of the Project); and (8) based upon the information made available to him in the course of his participation in the preparation of the Official Statement and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to his attention which would lead him to believe that, as of the date of the Official Statement and as of the Closing Date, the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed with respect to the portions thereof entitled "THE DISTRICT," "THE DEVELOPER," "THE DEVELOPMENT PLAN," and "THE DEVELOPER'S FINANCING PLAN," the material in the SUMMARY STATEMENT and under the caption "INTRODUCTION" that summarizes information under the foregoing captions, and Appendices B, C, D and F), any financial or statistical data, any references to summaries or descriptions of the Appraisal, and the information concerning the pricing of the Bonds supplied by the Underwriter);

(viii) A certificate, dated the Closing Date, of a duly authorized officer of Continental Realty Advisors (the "Appraiser") to the effect that (1) its appraisal has been appended to the Official Statement with its permission, (2) no events have come to the attention of the Appraiser that would materially adversely change the opinion of value set forth in the Appraisal, and (3) neither the Appraisal nor the material contained in the Official Statement under the heading "SECURITY FOR THE BONDS - Property Values" contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ix) A certificate, dated the Closing Date, signed by a duly authorized representative of the Developer to the effect that (1) the Financing Agreement and the Developer's Continuing Disclosure Certificate, dated as of June 1 (collectively, the "Developer Agreements") have been duly authorized, executed and delivered by the Developer and (in the case of the Financing Agreement, assuming due authorization, execution and delivery thereof by the City) constitute legal, valid and binding agreements of the Developer, (2) the representations and warranties of the Developer set forth in the Developer Agreements are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (3) no proceeding is pending or threatened in which the Developer may be adjudicated as bankrupt or discharged from any or all of its debts or obligations or granted an extension of time to pay its debts or a reorganization or a readjustment of its debts; (4) except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, is pending or, to its knowledge, threatened in any way seeking to restrain or enjoin the development of any of the Developer's land within the District; (5) no tax or assessment of any kind applicable to any of the Developer's real property within the District is delinquent; (6) the Developer approves the form of each of the City Documents as delivered at the Closing; (7) the statements in the Official Statement under the captions "CERTAIN RISK FACTORS" (except the portions thereof entitled "Enforcement Delays – Bankruptcy," "Partial Refunding of Bonds" and "Parity Assessments" and the first four paragraphs of the portion entitled "Governmental Ownership Interests in the Property"), "THE DISTRICT," "THE DEVELOPER," "THE DEVELOPMENT PLAN" and "THE DEVELOPER'S FINANCING PLAN," and in Appendix A under the caption "DEVELOPMENT AND FINANCING AGREEMENT" are a fair and accurate summary of the subjects addressed therein and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (8) based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained therein (except as noted in the preceding clause hereof), the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (9) the Developer will advise the Underwriter promptly of the occurrence of any event or circumstance of which it becomes aware during the period

commencing on the date hereof and ending on the date 25 days after the end of the “underwriting period” (as defined in Rule 15c2-12) and as a result of which it may be necessary to amend or supplement the Official Statement or any part thereof in order to make the statements therein, in the light of circumstances existing at such time, not misleading; (10) to the maximum extent permitted by law the Developer will indemnify and hold harmless, the City, the Underwriter and their officials, employees, and agents, and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended (each of the City, the Underwriter and such entity and person being hereinafter called an “Indemnified Party”), against any and all losses, claims, damages, or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities, or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact necessary to make the statements in the Official Statement or in any amendment or supplement to such information not misleading, but only to the extent that such material fact relates to the Developer, the property within the District owned by the Developer, or the risks associated with the development of such land (this indemnity provision shall not be construed as a limitation on any other liability which the Developer may otherwise have to any Indemnified Party, provided that in no event shall the Developer be obligated for double indemnification; and (11) promptly after receipt by any Indemnified Party of notice of any complaint or the commencement of any action or proceeding in connection with any matter for which the Developer is obligated to indemnify an Indemnified Party as set forth in the preceding clause, the Indemnified Party shall notify the Developer in writing of such complaint or of the commencement of such action or proceeding and, if the Developer so elects or is requested by the Indemnified Party, the Developer shall assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel, in which event the Developer shall not be obligated to pay the reasonable fees and disbursements of separate counsel for the Indemnified Party in such action. In the event, however, that an Indemnified Party’s legal counsel has determined that defenses may be available to an Indemnified Party that are different from or in addition to those available to the Developer or that there is or could reasonably be expected to be a conflict of interest by reason of the Developer and an Indemnified Party having common counsel in any action or proceeding, then the Indemnified Party may employ separate counsel to represent or defend it in any such action or proceeding in which such Indemnified Party may become involved or is named as defendant and the Developer shall pay the reasonable fees and disbursements of such separate counsel,

(x) An opinion of counsel to the Developer, dated the Closing Date and addressed to the City and the Underwriter to the effect that (1) the Developer is duly organized and validly existing in good standing as a corporation under the laws of the State of Delaware with full corporate power to enter into the Developer Agreements; (2) the Developer has duly authorized, executed and delivered the Developer

Agreements to the City and by all proper corporate action has authorized the performance of its duties and obligations thereunder; (3) assuming due authorization, execution and delivery of the Financing Agreement by the City, the Developer Agreements are the valid, legal and binding agreements of the Developer, enforceable in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles; (4) to the best of such counsel's knowledge, there is no litigation pending or threatened against or affecting the Developer to restrain or enjoin development of any of the land within the District or the performance by the Developer of its obligations under the Developer Agreements; (5) to the best of such counsel's knowledge, neither the Developer's execution and delivery of the Developer Agreements nor the performance of its obligations thereunder conflicts with or constitutes a breach of or default under any applicable law or government regulation or conflicts with or violates any contract to which the Developer is a party or any administrative or judicial decision by which the Developer is bound; and (6) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of such counsel's participation in conferences with representatives of the City, Bond Counsel, the Developer, the Underwriter and others, and such counsel's examination of certain documents, nothing has come to such counsel's attention which would lead such counsel to believe that the portions of the Official Statement under the headings "THE DISTRICT," "THE DEVELOPER," "THE DEVELOPMENT PLAN," "THE DEVELOPER'S FINANCING PLAN," and "CERTAIN RISK FACTORS" (except the portions thereof entitled "Enforcement Delays – Bankruptcy," "Partial Refunding of Bonds" and "Parity Assessments" and the first four paragraphs of the portion entitled "Governmental Ownership Interests in the Property"), and in Appendix A under the caption "DEVELOPMENT AND FINANCING AGREEMENT," as of the date of the Official Statement and as of the Closing Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion or belief need to be expressed as to any financial and statistical data contained therein);

(xi) An executed copy of the guaranty of The Rouse Company that is appended to the Financing Agreement (the "Guaranty") together with a certificate of a duly authorized officer of The Rouse Company and an opinion of counsel to The Rouse Company, both in a form acceptable to the Underwriter, relating to the due authorization, execution and delivery of the Guaranty by The Rouse Company and to its enforceability;

(xii) A certificate, dated the Closing Date, of a duly authorized officer of Assessment Management Group, Inc. to the effect that the portions of the Official Statement consisting of (i) the "Estimated Assessment Installments" included in the table under the caption "SECURITY FOR THE BONDS—Assessments" and (ii) the caption "SECURITY FOR THE BONDS — Collections of Assessment Installments and Delinquencies" do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xiii) A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds; and

(xiv) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

All the opinions, letters, certificates, instruments and other documents mentioned in this section or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the terms hereof if, and only if, they are in form and substance satisfactory to the Underwriter.

If any of the conditions to the obligations of the Underwriter contained in this section or elsewhere in this Bond Purchase Agreement shall not have been satisfied when and as required herein, all obligations of the Underwriter hereunder may be terminated, at, or at any time prior to, the Closing Date by written notice to the City, except that the respective obligations of the Underwriter and the City set forth in Section 5 hereof shall continue in full force and effect.

Section 4. *Conditions to the Obligations of the City.* The City has entered into this Bond Purchase Agreement in reliance upon performance by the Underwriter of its obligations hereunder and on representations contained in the documents and instruments to be delivered at Closing by parties other than the City and its officers. The City's obligations under this Bond Purchase Agreement to sell and to deliver the Bonds shall be subject upon performance by the Underwriter of the obligations to be performed by the Underwriter hereunder, to there being no litigation of a type described in Section 2(1) pending or to the knowledge of the City, threatened at the time of the Closing, to each condition described in Section 3(a), 3(b) and 3(c) being fulfilled and to the receipt by the City of the documents described in Section 3(d)(iii), (iv), (v), (vii), (viii), (ix), (x), (xi), (xii), and (xiv) in form and substance satisfactory to the City.

Section 5. *Expenses.*

(a) Whether or not the Underwriter accept delivery of and pay for the Bonds as set forth herein, the Underwriter shall be under no obligation to pay, and the City shall pay or cause to be paid out of any legally available funds of the City all expenses incident to the performance of the City's obligations hereunder, including but not limited to: the cost of printing and delivering the Bonds to the Underwriter; the cost of printing, distribution and delivery of the Preliminary Official Statement and the Official Statement in such reasonable quantities as may be requested by the Underwriter; the fees and disbursements of Bond Counsel, and any lawyers, accountants, engineers, appraisers or other experts or consultants the City has retained in connection with the formation of the District or the issuance of the Bonds; and any other expenses not specifically enumerated in paragraph (b) of this section incurred in connection with the issuance of the Bonds.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the Underwriter shall pay the cost of the preparation of any "Blue Sky" or legal investment memoranda; expenses to qualify the Bonds for sale under any "Blue Sky" or other state securities laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the

Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses.

Section 6. *Notices.* Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing to the City Treasurer at City Hall, 400 Stewart Street, Las Vegas, Nevada 8910, with a copy to the City Attorney at the same address; and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stone & Youngberg LLC, 515 South Figueroa Street, Suite 1060, Los Angeles, California 90071, Attention: Stephen E. Heaney.

Section 7. *Parties in Interest.* This Bond Purchase Agreement is made solely for the benefit of the City and the Underwriter (including its successors and assignees) and no other person, including but not limited to any owner of land within the District, shall acquire or have any right hereunder or by virtue hereof.

Section 8. *Survival of Representations and Warranties.* The representations and warranties of the City set forth in or made pursuant to this Bond Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Bond Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and regardless of delivery of and the payment for the Bonds

Section 9. *Effective.* This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STONE & YOUNGBERG LLC

By: \_\_\_\_\_  
Managing Director

Accepted:

CITY OF LAS VEGAS, NEVADA

By: \_\_\_\_\_  
Finance Director

EXHIBIT A  
MATURITY SCHEDULE

*Maturity Date*  
*(June 1)*

*Maturity Amount*

*Interest Rate*

The aggregate purchase price of the Bonds shall be \$\_\_\_\_\_, an amount equal to the aggregate principal amount thereof less original issue discount of \$\_\_\_\_\_ and underwriter's discount of \$\_\_\_\_\_.

**AGENDA SUMMARY PAGE**  
**RECOMMENDING COMMITTEE MEETING OF: MAY 5, 2003**

**DEPARTMENT: CITY ATTORNEY**

**DIRECTOR: BRADFORD R. JERBIC**

**CONSENT**

**DISCUSSION**

**SUBJECT:**

**NEW BILL:**

**Bill No. 2003-41** – Levies Assessment for Special Improvement District No. 1485 - Alta Drive (Landscape Maintenance FY2004) Sponsored by: Step Requirement

**Fiscal Impact**

**No Impact**

**Amount:** \$38,736.00

**Budget Funds Available**

**Dept./Division:** Public Works/SID

**Augmentation Required**

**Funding Source:** Capital Projects Fund - Special Assessments

**PURPOSE/BACKGROUND:**

Levies the assessment for the annual maintenance costs of street beautification improvements along Alta Drive from Rancho Drive to approximately 275 feet west of Lacy Lane from July, 2003 through June, 2004.

**RECOMMENDATION:**

This bill should be submitted to a Recommending Committee for review, hearing and recommendation to the City Council for final action.

**BACKUP DOCUMENTATION:**

Bill No. 2003-41

**COMMITTEE RECOMMENDATION:**

**COUNCILWOMAN McDONALD recommended Bill 2003-41 be forwarded to the Full Council with a “Do Pass” recommendation. COUNCILMAN WEEKLY concurred.**

**MINUTES:**

COUNCILMAN WEEKLY declared the Public Hearing open.

CHIEF DEPUTY CITY ATTORNEY STEED said this matter is in order.

MIKE THOMPSON, Public Works, explained for COUNCILWOMAN McDONALD that the SID is for regularly scheduled maintenance of the landscaping along East Alta Drive. The cost is about \$38,700 per year. DEPUTY CITY MANAGER HOUCHEMS said that it is an annual levy that will require approval each year.

No one appeared in opposition and there was no further discussion.

RECOMMENDING COMMITTEE MEETING OF MAY 5, 2003

City Attorney

Item 4 – Bill No. 2003-41

**MINUTES – Continued:**

COUNCILMAN WEEKLY declared the Public Hearing closed.

(4:07 – 4:09)

1-67

BILL NO. 2003-41

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE CONCERNING CITY OF LAS VEGAS, NEVADA, SPECIAL IMPROVEMENT DISTRICT NO. 1485 – ALTA DRIVE (LANDSCAPE MAINTENANCE FY2004), PROVIDING FOR THE PAYMENT OF THE COSTS AND EXPENSES OF MAINTAINING STREET BEAUTIFICATION IMPROVEMENTS, ASSESSING THE COST OF MAINTENANCE AGAINST THE ASSESSABLE LOTS, TRACTS, AND PARCELS OF LAND BENEFITED BY SAID MAINTENANCE; RATIFYING, APPROVING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN; PRESCRIBING DETAILS IN CONNECTION THEREWITH.

Summary: Levy Ordinance

WHEREAS, the City Council of the City of Las Vegas (hereinafter the "City Council" and "City", respectively) in the County of Clark and State of Nevada, has heretofore, pursuant to the requisite preliminary proceedings, created Las Vegas, Nevada, Special Improvement District No. 1485 – Alta Drive (Landscape Maintenance) (hereinafter the "District"), to defray the annual maintenance costs of a street beautification project within the District (hereinafter the "Maintenance Project") as defined in Chapter 271, Nevada Revised Statutes and has provided that the entire cost and expense of the Maintenance Project shall be paid by special assessments, according to benefits, levied against the benefited lots, tracts and parcels of land in the District; and

WHEREAS, the District has been properly created by an ordinance heretofore adopted under the provisions of the Consolidated Local Improvement Law, and

WHEREAS, the City Council has heretofore determined that the entire cost and expense of the Maintenance Project is to be paid by special assessments levied against the benefited lots, tracts and parcels of land in the District which the City Council has determined will receive special benefits (and corresponding market value increases) from the Maintenance Project; and

WHEREAS, in accordance with NRS 271 360 and NRS 271 378, the City Council has heretofore determined, and does hereby declare, that the net cost of the Maintenance Project for FY2004 (including all necessary incidentals which either have been or will be incurred in connection with the District) is \$38,736.00, of which, \$0.00 is available from other sources and of which \$38,736.00 is to be assessed upon the benefited lots, tracts and parcels of land in the District which the City Council has determined will receive special benefits (and corresponding market value increases) from the Maintenance Project; and

WHEREAS, the City Council, by resolution heretofore adopted and directed the Director of Public Works with the assistance of the Engineering Integration Division (hereinafter the "Engineer") to make out a final assessment roll; and

WHEREAS, after a determination of the costs of such work to be paid by the property specially benefited, the City Council, together with the Engineer made out a final assessment roll containing, among other things, the names and addresses of the last known owners of the property to be assessed, a description of each lot, tract, or parcel of land to be assessed, and the amount of the assessment thereon; and

WHEREAS, the Engineer has reported the final assessment roll to the City Council and has filed the final assessment roll with the City Clerk; and

WHEREAS, the City Council thereupon fixed a time and place, to wit: Wednesday, April 2, 2003, at 1.00 p.m., at the Las Vegas City Council Chambers, 400 Stewart Avenue, in Las Vegas, Nevada, when all complaints, protests and objections to the final assessment roll, to the amount of the assessments, and to the regularity of the proceedings in making such assessments, by the owners of the property specially benefited by, and proposed to be assessed for, the Maintenance Project in the District, by any person interested, and by any parties aggrieved by such assessments, would be heard and considered by the City Council; and

WHEREAS, the Engineer has, in accordance with the provisions of law relating thereto, given the requisite legal notice by both mail and publication that complaints, protests and objections to assessments for the Maintenance Project in the District should be filed with the City Clerk, and that the City Council would hear and consider any and all complaints, protests or objections on Wednesday, April 2, 2003, at 1:00 p.m., at the Las Vegas City Council Chambers, 400 Stewart Avenue, in Las Vegas, Nevada; and

WHEREAS, the City Council caused the final assessment roll ("Tabulation of Parcels") to be filed in the records of the office of the City Clerk on March 5, 2003; and

WHEREAS, the City Clerk, by publication and by mail, gave the requisite notice of the time and place of such hearing on April 2, 2003, of the filing of the final assessment roll in her office, of the date of filing the same, and of the right of any such person to object specifically in writing and of the waiver of any objection in the absence of such objection; and

WHEREAS, at the time and place so designated, the City Council met to hear and determine all objections filed or made orally by any interested party; and

WHEREAS, all complaints, protests and objections, both written and oral, were found to be without sufficient merit and overruled, except as provided in the District No. 1485 (FY2004) Assessment Protest Resolution; and

WHEREAS, by the District No 1485 (FY2004) Assessment Protest Resolution, the City Council modified, corrected and revised the final assessment roll and modified, corrected, revised and confirmed the final assessment roll to be in final form; and

WHEREAS, the assessments do not exceed the benefits to the property assessed nor the total cost of the Maintenance Project payable from assessments as heretofore determined, and

WHEREAS, it is incumbent upon the City Council to provide when said assessments shall become due and penalties payable after any delinquency; and

WHEREAS, the City Council has determined, and does hereby determine, that the City shall pay the costs of the Maintenance Project, with funds completely derived from the levy of assessments

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES ORDAIN AS FOLLOWS:

Section 1. This Ordinance shall be known as, and may be cited by, the short title "District No. 1485 (FY2004) Levy Ordinance" (hereinafter the "Ordinance").

Section 2. The City Council has heretofore determined, and does hereby declare, that each and every complaint, protest and objection made in connection with the District is without sufficient merit and the same be, and the same hereby is, overruled, and finally passed on by the City Council, except as provided in the District No 1485 (FY2004) Assessment Protest Resolution.

Section 3. All actions, proceedings, matters and things heretofore taken, had and done by the City and the officers thereof (not inconsistent with the provisions of this Ordinance) concerning Special Improvement District No. 1485 – Alta Drive (Landscape Maintenance FY2004) including, but not limited to, the creation of the District, the amount of the maintenance contract, the levy of assessments for those purposes, the determination that the tracts in the District will receive special benefits and market value

increases, and the validation and confirmation of the final assessment roll and the assessments therein, be, and the same hereby is, ratified, approved and confirmed.

Section 4. For the purpose of paying the costs and expenses of the Maintenance Project, the amounts and assessments shown in the final assessment roll (as so filed, modified and confirmed) are hereby levied and assessed against the lots, tracts and parcels of land in the District (being all those specially benefited by the Maintenance Project) and described in the final assessment roll for the District, as filed in the office of the City Clerk on March 5, 2003, and as modified and confirmed by the District No. 1485 (FY2004) Assessment Protest Resolution duly adopted by the City Council on April 16, 2003.

Section 5. The assessments shall be due and payable at the office of the City Treasurer within 30 days after this Ordinance becomes effective, without interest and without demand, provided that all or any part of such assessments may, at the election of the owner, be paid in installments, as hereinafter provided. Failure to pay the whole assessment within said period of 30 days shall be conclusively considered and held an election on the part of all persons interested, whether under disability or otherwise, to pay in installments the amount of the assessment then unpaid. In case of such election to pay in installments, the unpaid assessments shall be payable in four (4) substantially equal quarterly installments of principal until paid in full, without interest, payable at the office of the City Treasurer on July 1, 2003, October 1, 2003, January 2, 2004 and April 1, 2004. Failure to pay any installment when due shall cause the whole amount of the unpaid principal to become due and payable immediately, at the option of the City, the exercise of said option to be indicated by the commencement of foreclosure proceedings by the City; and the whole amount of the unpaid principal shall, after such delinquency, whether said option is or is not exercised, bear penalty interest at the rate of two percent (2%) (or at any higher rate authorized by statute, or any lower rate, which may be zero percent, for such period as determined by the City Treasurer) per month (not prorated for any portion of the month) on the unpaid balance of the assessment and accrued interest until the day of sale or until paid, but at any time prior to the date of the sale the owner may pay the amount of all delinquent installments originally becoming due on or before the date of said payment, and all penalty interest accrued, and shall thereupon be restored to the right thereafter to pay in installments in the same manner as if default had not been suffered. The

owner of any property assessed and not in default as to any installment or payment may, at any time (at the option of such owner), pay the whole or any installment of the unpaid principal.

Pursuant to NRS 271.357 and NRS 271.360, any assessment against property for which an application for Hardship Determination has been approved by the City Council shall be postponed. The assessment shall remain postponed until the earlier of the following occurrences: (a) the property is sold or transferred to a person other than one to whom a Hardship Determination has been granted; (b) the property owner's application for renewal of the Hardship Determination is disapproved; or (c) the property owner pays all previous and current assessments. The property owner shall file an application for renewal of the Hardship Determination each year when the Maintenance Project is levied. The owner shall also be subject to the lien as provided in Section 6 hereof.

Section 6. The amounts assessed shall be a lien upon the owner's lots, tracts and parcels of land from the effective date of this Ordinance (i.e. May 25, 2003) until paid. The lien shall be co-equal with the latest lien thereon to secure the payment of general taxes and prior and superior to all other liens, claims, encumbrances and titles (other than the liens of assessments and general taxes). The sale of any such lot, tract or parcel of land for general or other taxes shall not relieve such lot, tract or parcel of land from such assessment or the lien therefor. Such amounts shall continue to be a lien upon the lots, tracts and parcels of land assessed until paid in full (including all principal, penalties, and collection costs).

Section 7. Should any lot, tract or parcel of land within the District be divided after the effective date of this Ordinance and before the collection of all the assessment installments, or if any property in the District makes a request to do so, the City Council may require the City Treasurer to apportion, combine or reapportion the uncollected amounts upon the several parts of land so divided or combined in accordance with the provisions of NRS 271.425. The report of such an apportionment, combination or reapportionment, when approved, shall be conclusive on all the parties, and all assessments thereafter made upon the tracts shall thereafter be according to the subdivision. The report, when approved, shall be recorded in the office of the County Recorder of Clark County, Nevada, together with a statement that the current payment status of any of the assessments may be obtained from the City Treasurer. Neither the failure to record the report, nor any defect in the report as recorded, shall affect the validity of the assessments, the lien for the payment thereof or the priority of that lien.

Section 8. In case any lot, tract or parcel of land so assessed is delinquent in the payment of the assessment or any installment of principal, the City Council shall forthwith cause the owner of such delinquent property, if known, to be immediately notified in writing of such delinquency, by first-class mail, postage prepaid, addressed to the addressee's last known address. If such delinquency is not paid within 10 days after such notice was given by deposit in the United States mail, then said assessment shall be enforced by the City Treasurer and other officers of the City, as provided in NRS 271.545 to NRS 271.625. Nothing herein shall be construed as preventing the City, at the direction of the governing body, from collecting any assessment by suit in the name of the governing body. The final assessment roll and the certified copy of this Ordinance shall be prima facie evidence of the regularity of the proceedings in making the assessment and of the right to recover judgment therefor.

Section 9. The City Clerk is hereby directed to deliver to the City Treasurer a copy of the final assessment roll containing a description of the lots, tracts and parcels of land being assessed, with the amount of the assessment levied upon each and the name and address of the owner or owners against whom the assessment was made. The final assessment roll is to be recorded in the office of the County Recorder together with the statement that the current payment status of any assessment may be obtained from the City Treasurer. The City Treasurer is additionally directed to collect the several sums so assessed as a tax upon the several tracts to which they were assessed.

Section 10. In accordance with NRS 271 405(7) the City Clerk shall give notice by publication in the Las Vegas Review-Journal, a newspaper of general circulation in the City, and such notice to be published at least once a week, for three consecutive publications, by three weekly insertions, the first such publication to be at least 15 days prior to the end of the 30-day period stating that said assessments have been levied and are due and payable and the last day for their payment. It shall not be necessary that the notice be published on the same day of the week, but not less than 14 days shall intervene between the first publication and the last publication. Service by publication shall be verified by the affidavit of the publisher or his designee and filed with the City Clerk of the City. In accordance with NRS 271.390(2) the City Clerk or Deputy City Clerk shall also give written notice of the levying of the assessments by mailing a copy of such notice, postage prepaid, at least 20 days prior to the end of said 30-day period, to the owner or owners of all property upon which the assessment was levied at his or her

last known address or addresses. Proof of such mailing shall be made by the affidavit of the City Clerk or Deputy City Clerk and such proof shall be filed with the City Clerk. Failure to mail any such notice or notices shall not invalidate any assessment or any other proceedings concerning the District. Proof of the publication and proof of the mailing shall be maintained in the permanent records of the office of the City Clerk until all special assessments have been paid in full or until any claim is barred by an appropriate statute of limitations. The City Council hereby determines that the manner of giving notice herein provided by publication and by mail is reasonably calculated to inform the parties of the proceedings concerning the District and the levy of assessments which may directly and adversely affect their legally protected interests.

Section 11. The notice provided for in NRS 271.390(2) and NRS 271.405(7) and in Section 10 of this Ordinance shall be in substantially the following form:

(Form of Notice)

NOTICE TO PROPERTY OWNERS OF THE LEVY OF ASSESSMENTS FOR  
LANDSCAPE MAINTENANCE IN CITY OF LAS VEGAS, NEVADA SPECIAL  
IMPROVEMENT DISTRICT NO. 1485 - ALTA DRIVE (LANDSCAPE  
MAINTENANCE FY2004)

NOTICE IS HEREBY GIVEN to the owners of all property upon which an assessment has been levied, and other interested persons, that District No. 1485 (FY2004) Levy Ordinance (hereinafter the "Levy Ordinance") was duly passed, adopted, signed and approved on May 21, 2003. The Levy Ordinance levied and assessed the cost and expense of landscape maintenance against the lots, tracts and parcels of land specially benefited by the maintenance in what is commonly designated as "City of Las Vegas, Nevada, Special Improvement District No. 1485 - Alta Drive (Landscape Maintenance)," (said lots, tracts and parcels of land being more specifically described in the final assessment roll designated in the ordinance).

Assessments are due and payable at the office of the City Treasurer in Las Vegas, Nevada, on or before June 24, 2003, being 30 days after the effective date of the Levy Ordinance, without interest and without demand, provided that all, or any part of such assessments may, at the election of the owner, be paid in installments, without interest as hereinafter provided. Failure to pay the whole assessment within the 30-day period will be conclusively considered and held an election on the part of all persons interested, whether under disability or otherwise, to pay the unpaid assessment in installments. In case of such election to pay in installments, the unpaid assessments will be payable in four (4) substantially equal quarterly installments of principal until paid in full, being payable at the office of the City Treasurer in Las Vegas, Nevada, on July 1, 2003, October 1, 2003, January 2, 2004, and April 1, 2004. Failure to pay any assessment installment when due will cause the whole of the unpaid principal of such assessment to become due and payable immediately at the City's option, and the whole amount of the unpaid principal will, after such delinquency, whether the City's option is or is not exercised, bear penalty interest at the rate of two percent (2%) (or at any higher rate authorized by statute, or any lower rate, which may be zero percent, for such period as determined by the City Treasurer) per month (not prorated for any portion of the month) on the unpaid balance of the assessment and accrued interest, until the day of sale or until paid, but at any time prior to the date of the sale, the owner may pay the amount of all delinquent

installments originally becoming due on or before the date of payment, and all penalty interest accrued, and will thereupon be restored to the night thereafter to pay in installments in the same manner as if default had not been suffered. The owner of any property not in default as to any assessment installment or payment may, at any time, pay the whole or any installment of the unpaid principal.

Pursuant to NRS 271.357 and NRS 271.360, any assessment against property for which an application for Hardship Determination has been approved by the City Council shall be postponed. The assessment shall remain postponed until the earlier of the following occurrences: (a) the property is sold or transferred to a person other than one to whom a Hardship Determination has been granted; (b) the property owner's application for renewal of the Hardship Determination is disapproved; or (c) the property owner pays all previous and current assessments. The property owner shall file an application for renewal of the Hardship Determination each year when the Maintenance Project is levied. The owner shall also be subject to the lien as provided in Section 6 hereof.

Pursuant to NRS 271.395, within 15 days after the effective date of the Levy Ordinance, any person who has filed a complaint, protest or objection in writing, pursuant to NRS 271.380, shall have the right to commence an action or suit in any court of competent jurisdiction to correct or set aside such determination. Thereafter, all actions or suits attacking the regularity, validity and correctness of the proceedings, of the final assessment roll, of each assessment contained therein, of the amount of special benefits and market value increases, and of the amount thereof levied on each tract, including, without limiting the generality of the foregoing, the defense of confiscation shall be perpetually barred.

The amounts assessed as aforesaid constitute a lien upon said lots, tracts and parcels of land from May 25, 2003, (i.e., the effective date of the Levy Ordinance), which lien shall be co-equal with the latest lien thereon to secure the payment of general taxes and prior and superior to all other liens, claims, encumbrances and titles (other than the liens of assessments and general taxes). The sale of any such lot, tract or parcel of land for general taxes shall not relieve such lot, tract or parcel of land from such assessment or the lien therefor.

Dated this May 21, 2003.

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BARBARA JO RONEMUS, City Clerk

(End of Form of Notice)

Section 12. The officers of the City be, and they hereby are, authorized and directed to take all action necessary and appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing, the preparation of all necessary documents, legal proceedings, the recording of the final assessment roll, and other items necessary or desirable for the completion of the levying of the assessments of the District

Section 13. 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, heretofore repealed.

Section 14. That in accordance with Section 2 110 of the City Charter, this Ordinance when first proposed is to be read by title to the City Council, immediately after which an adequate number of copies of the proposed Ordinance are to be deposited with the office of the City Clerk for public examination and distribution upon request; thereafter, the City Clerk is authorized and directed to give notice of the deposit together with the title of the Ordinance by publication at least once in the Las Vegas Review-Journal, i.e , a newspaper published and having general circulation in the City, at least ten (10) days before the adoption of the Ordinance, i.e., at least ten (10) days before May 21, 2003, such publication to be in substantially the following form:

(FORM OF PUBLICATION OF NOTICE OF DEPOSIT OF AN ORDINANCE)

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE CONCERNING CITY OF LAS VEGAS, NEVADA, SPECIAL IMPROVEMENT DISTRICT NO. 1485 ALTA DRIVE (LANDSCAPE MAINTENANCE FY2004) PROVIDING FOR THE PAYMENT OF THE COSTS AND EXPENSES OF MAINTAINING STREET BEAUTIFICATION IMPROVEMENTS; ASSESSING THE COST OF MAINTENANCE AGAINST THE ASSESSABLE LOTS, TRACTS, AND PARCELS OF LAND BENEFITED BY SAID MAINTENANCE; RATIFYING, APPROVING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN; PRESCRIBING DETAILS IN CONNECTION THEREWITH.

PUBLIC NOTICE IS HEREBY GIVEN that an adequate number of typewritten copies of the above-entitled proposed Ordinance were filed with and are available for public inspection and distribution at the office of the City Clerk of the City of Las Vegas, 400 Stewart Avenue, Las Vegas, Nevada, and that such ordinance was proposed on the 16<sup>th</sup> day of April, 2003, and will be considered for adoption at the regular meeting of the City Council of the City of Las Vegas on the 21<sup>st</sup> day of May, 2003.

/s/ Barbara Jo Ronemus  
City Clerk

(End of Form)

Section 15. That this Ordinance shall be in effect on the day after its publication, as hereinafter provided. After this Ordinance is signed by the Mayor and attested and sealed by the City Clerk, this Ordinance shall be published by title only, together with the names of the City Council voting for or against its passage, and with a statement that typewritten copies of said Ordinance are available for inspection by all interested parties at the office of the City Clerk, such publication to be made in the Las Vegas Review-Journal, a newspaper published and having general circulation in the City, at least once, pursuant to Section 2.110 of the Charter and all laws thereunto enabling, such publication is to be in substantially the following form:

(Form for Publication After Final Adoption of Ordinance)

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE CONCERNING CITY OF LAS VEGAS, NEVADA, SPECIAL IMPROVEMENT DISTRICT NO.1485 - ALTA DRIVE (LANDSCAPE MAINTENANCE FY2004); PROVIDING FOR THE PAYMENT OF THE COSTS AND EXPENSES OF MAINTAINING STREET BEAUTIFICATION IMPROVEMENTS, ASSESSING THE COST OF MAINTENANCE AGAINST THE ASSESSABLE LOTS, TRACTS, AND PARCELS OF LAND BENEFITED BY SAID MAINTENANCE, RATIFYING, APPROVING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN; PRESCRIBING DETAILS IN CONNECTION THEREWITH.

PUBLIC NOTICE IS HEREBY GIVEN that the above Ordinance was proposed on April 16, 2003, and was passed at a regular meeting held on May 21, 2003, by the following vote of the City Council of the City of Las Vegas, Nevada:

Those Voting Aye.

Oscar B. Goodman  
Gary Reese  
Michael J. McDonald  
Larry Brown  
Lynette Boggs McDonald  
Lawrence Weekly  
Michael Mack

Those Voting Nay:

\_\_\_\_\_  
\_\_\_\_\_

Those Absent:

\_\_\_\_\_  
\_\_\_\_\_

This Ordinance shall be in full force and effect from and after May 25, 2003, i.e., the day after its publication by title only.

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

This 21<sup>st</sup> day of May, 2003.

/s/ OSCAR B. GOODMAN  
Mayor  
City of Las Vegas, Nevada

(SEAL)

Attest:  
/s/ BARBARA JO RONEMUS  
City Clerk

Section 16. That if any section, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Introduced April 16, 2003, PASSED, ADOPTED AND APPROVED May 21, 2003.

\_\_\_\_\_  
OSCAR B. GOODMAN, Mayor

Attest:

\_\_\_\_\_  
BARBARA JO RONEMUS, City Clerk

Approved as to Form:

4-2-'03 *Madeline J. Dielman DiCicco*  
Date Deputy City Attorney

STATE OF NEVADA            )  
  )  
COUNTY OF CLARK         ) SS  
  )  
CITY OF LAS VEGAS        )

I, Barbara Jo Ronemus, the duly chosen, qualified City Clerk of the City of Las Vegas (hereinafter the "City"), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of an ordinance which was introduced at the meeting of the City Council on April 16, 2003, and finally adopted and approved on May 21, 2003.

2. The following members of the City Council were present at the April 16, 2003, Council meeting:

Mayor:	Oscar B. Goodman
Councilmembers:	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

3. The foregoing Ordinance was first proposed and read by title to the City Council on April 16, 2003, and referred to a committee composed of \_\_\_\_\_ and \_\_\_\_\_ for recommendation; thereafter the said committee reported favorably on said Ordinance on May 21, 2003, which was a regular meeting of said City Council; that at said regular meeting, the proposed Ordinance was again read by title to the City Council and adopted. The following members of the City Council were present at the May 21, 2003, meeting and voted upon the adoption of the Ordinance as follows:

Those Voting Aye:	Oscar B. Goodman
	Gary Reese
	Michael J. McDonald
	Larry Brown
	Lynette Boggs McDonald
	Lawrence Weekly
	Michael Mack

Those Voting Nay: \_\_\_\_\_  
\_\_\_\_\_

Those Absent: \_\_\_\_\_  
\_\_\_\_\_

4. The original of the Ordinance has been approved and authenticated by the signatures of the Mayor of the City and myself, as Clerk of the City, and sealed with the seal of the City, and has been recorded in the journal of the City Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

5. All members of the City Council were given due and proper notice of the meetings held on April 16, and May 21, 2003. Pursuant to § 241.020, Nevada Revised Statutes, written notice of the meetings was given no later than 9:00 a.m. on the third working day before the meetings, including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice by 9:00 a.m. at least three (3) working days before the meetings at the principal office of the City Council, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the City Council, to wit:

- (i) City Hall  
City Hall Plaza  
Special Outside Posting Bulletin Board  
Las Vegas, Nevada
- (ii) Senior Citizens Center  
Las Vegas, Nevada
- (iii) Clark County Government Center  
500 South Grand Central Parkway  
Las Vegas, Nevada
- (iv) Downtown Transportation Center  
Las Vegas, Nevada

(b) By mailing a copy of the notice by 9:00 a.m. no later than three (3) working days before the meetings to each person, if any, who has requested notice of the meetings of the City Council in the same manner in which notice is required to be mailed to a member of the City Council.

6. A copy of such notice so given of the meeting of the City Council on April 16, 2003, is attached to this certificate as Exhibit A and a copy of the notice so given of the meeting of the City Council on May 21, 2003, is attached to this certificate as Exhibit B

7. Upon request, the governing body provides, at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the members of the governing body for an item on the agenda, except for certain confidential materials and materials pertaining to the closed meetings, as provided by law.

**IN WITNESS WHEREOF**, I have hereunto set my hand on this May 21, 2003.

---

BARBARA JO RONEMUS, City Clerk

(SEAL)

**EXHIBIT A**

**(Attach Copy of Notice of April 16, 2003 Meeting)**

**EXHIBIT B**

**(Attach Copy of Notice of May 21, 2003 Meeting)**

**RECOMMENDING COMMITTEE AGENDA  
RECOMMENDING COMMITTEE MEETING OF: MAY 5, 2003**

CITIZENS PARTICIPATION: ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISIONS OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A MATTER NOT LISTED ON THE AGENDA, PLEASE CLEARLY STATE YOUR NAME AND ADDRESS. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES.

**MINUTES:**

ALLEN HELMS, Nevada Power Company, submitted for the City Manager's office a binder with copies of third-party joint pole agreements with telecommunication companies, copies of which were not submitted for these minutes. MR. HELM indicated that he wanted to make sure they were available to the City because there has been a lot of controversy over them lately. COUNCILMAN WEEKLY asked if public hearings are being held. MR. HELM answered that no public hearing or action is required. The only governmental entity being provided with these copies is the City for now.

(4:09 – 4:11)

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**THE MEETING ADJOURNED AT 4:11 P.M.**

Respectfully submitted:



GABRIELA S. PORTILLO-BRENNER, DEPUTY CITY CLERK

May 7, 2003