

It appearing that an emergency situation exists, on motion by Commissioner Rusk, seconded by Commissioner Gaunt, which motion carried by unanimous vote of the Board, it was ordered that Bill No. 503 be declared an emergency measure and final action of adoption be taken at this meeting.

On motion by Commissioner Grow, seconded by Commissioner Rusk, which motion carried by unanimous vote of the Board, it was ordered that Bill No. 503, Ordinance No. 335, be approved, adopted and published in accordance with NRS 244.100, as follows:

NOT PRINTED

BILL NO. 503 - ORDINANCE NO. 335 - HIGHWAY

REVENUE REFUNDING BONDS

OCTOBER 15, 1976

ITEM 76-2000

RESCINDING ITEM 76-1803

October 15, 1976

WASHOE COUNTY, NEVADA,  
HIGHWAY REVENUE (MOTOR VEHICLE  
FUEL TAX) REFUNDING BONDS

SERIES September 1, 1976

\$13,340,000\*

9-1-76 BOND ORDINANCE

\*This cover page is not a part of the 9-1-76  
Bond Ordinance.

9-1-76 BOND ORDINANCE

TABLE OF CONTENTS\*

Title -----	Page
Preambles -----	1
	2

ARTICLE I

SHORT TITLE, DEFINITIONS, INTERPRETATION, RATIFICATION, TRANSMITTAL AND EFFECTIVE DATE

Section 101.	Short Title-----	28
Section 102.	Meanings and Construction-----	28
Section 103.	Successors-----	43
Section 104.	Parties Interested Herein-----	44
Section 105.	Ratification-----	44
Section 106.	Transmittal of Instrument-----	44
Section 107.	Instrument Irrepealable-----	44
Section 108.	Severability-----	45
Section 109.	Repealer-----	45
Section 110.	Emergency, Effective Date and Publication-----	45

ARTICLE II

GOVERNING BODY'S DETERMINATIONS, AUTHORITY FOR AND AUTHORIZATION OF PROJECT, NECESSITY OF PROJECT AND BONDS, PROJECT COST, AND OBLIGATION OF ISSUER

Section 201.	Authority for this Instrument-----	49
Section 202.	Necessity of Refunding Project and Bonds-----	49
Section 203.	Authorization of Refunding Project-----	49
Section 204.	Estimated Cost of Refunding Project-----	49
Section 205.	Bonds Equally Secured-----	49
Section 206.	Special Obligations-----	49
Section 207.	Character of Agreement-----	50
Section 208.	No Pledge of Property-----	50
Section 209.	No Recourse Against Officers and Agents-----	50
Section 210.	No Bond Election Nor Other Prelim- inaries-----	50
Section 211.	Execution of Escrow Agreement-----	50
Section 212.	Purchase of Federal Securities-----	51
Section 213.	Terms of Bond Sale-----	51
Section 214.	Tender for Delivery-----	51

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301.	Authorization of Bonds-----	53
Section 302.	Bond Details-----	53
Section 303.	Prior Redemption Option-----	54
Section 304.	Notice of Prior Redemption-----	54
Section 305.	Negotiability-----	55

\*This Table of Contents is not a part of the 9-1-76 Bond Ordinance.

	<u>Page</u>
Section 306.	Execution of Bonds----- 55
Section 307.	Form and Execution of Coupons----- 56
Section 308.	Use of Predecessor's Signature----- 56
Section 309.	Incontestable Recital in Bonds----- 56
Section 310.	State Tax Exemption----- 56
Section 311.	Bond Execution----- 57
Section 312.	Registration by Treasurer----- 57
Section 313.	Bond Delivery----- 57
Section 314.	Causes for Reissuance----- 57
Section 315.	Other Reissuance----- 57
Section 316.	Bond and Coupon Form----- 57

#### ARTICLE IV

##### USE OF BOND PROCEEDS REFUNDING OF OUTSTANDING BONDS, DISPOSITION OF FUNDS, PRIOR REDEMPTION OF OUTSTANDING BONDS, AND TERMINATION OF ACCOUNTS

Section 401.	Disposition of Bond Proceeds----- 65
Section 402.	Additional Refunding Fund Deposits- 65
Section 403.	Maintenance of Refunding Fund----- 66
Section 404.	Use of Refunding Fund----- 66
Section 405.	Insufficiency of Refunding Fund---- 66
Section 406.	Prior Redemption of Refunded Bonds- 66
Section 407.	Exercise of Option----- 67
Section 408.	Initial Notices of Prior Redemption 67
Section 409.	Manner of Giving Notice----- 67
Section 410.	Form of Notice----- 68
Section 411.	Supplemental Notice To Be Given 72
Section 412.	Form of Notice----- 72
Section 413.	Purchasers Not Responsible----- 76
Section 414.	Lien on Bond Proceeds----- 76
Section 415.	Disposition of Funds----- 76
Section 416.	Funds & Accounts Terminated----- 76

#### ARTICLE V

##### ADMINISTRATION OF AND ACCOUNTING FOR PLEGGED REVENUES

Section 501.	Pledge Securing Bonds----- 78
Section 502.	Highway Fund Deposits----- 78
Section 503.	Administration of Highway Fund----- 79
Section 504.	First Charges----- 79
Section 505.	Bond Fund Payments----- 79
Section 506.	Reserve Fund Payments----- 80
Section 507.	Termination of Deposits----- 81
Section 508.	Defraying Delinquencies----- 82
Section 509.	Payment of Additional Securities--- 82
Section 510.	Use of Remaining Revenues----- 83

#### ARTICLE VI

##### GENERAL ADMINISTRATION

Section 601.	Administration of Accounts----- 85
Section 602.	Places and Times of Deposits----- 85
Section 603.	Investment of Moneys----- 85
Section 604.	Scheduling Disbursements----- 86
Section 605.	Required and Permissive Investments 86
Section 606.	Accounting for Investments----- 87
Section 607.	Redemption or Sale of Investment Securities----- 88

		<u>Page</u>
Section 608.	Character of Funds-----	88
Section 609.	Accelerated Payments-----	88
Section 610.	Payment of Securities Requirements-	88
Section 611.	Payment of Redemption Premiums-----	89

#### ARTICLE VII

##### SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 701.	First Lien Bonds-----	90
Section 702.	Equality of Bonds-----	90
Section 703.	Issuance of Parity Securities-----	90
Section 704.	Certification of Revenues-----	91
Section 705.	Subordinate Securities Permitted--	91
Section 706.	Superior Securities Prohibited----	92
Section 707.	Use of Proceeds-----	92
Section 708.	Issuance of Refunding Securities--	92
Section 709.	Partial Refundings-----	92
Section 710.	Limitations Upon Refundings-----	92
Section 711.	Protection of Securities Not Refunded-----	93
Section 712.	Payment Dates of Additional Securities-----	93
Section 713.	Supplemental Instrument-----	94

#### ARTICLE VIII

##### MISCELLANEOUS PROTECTIVE COVENANTS

Section 801.	General-----	95
Section 802.	Performance of Duties-----	95
Section 803.	Contractual Obligations-----	95
Section 804.	Further Assurances-----	95
Section 805.	Conditions Precedent-----	95
Section 806.	Rules, Regulations and Other Details-----	96
Section 807.	Payment of Governmental Charges---	96
Section 808.	Protection of Security-----	96
Section 809.	Accumulation of Interest Claims---	97
Section 810.	Prompt Payment of Bonds-----	97
Section 811.	Use of Bond and Reserve Funds-----	97
Section 812.	Additional Securities-----	97
Section 813.	Other Liens-----	98
Section 814.	Corporate Existence-----	98
Section 815.	Fidelity Bonds-----	98
Section 816.	Maintenance of Fuel Taxes-----	98
Section 817.	Collection of Fuel Taxes-----	98
Section 818.	Records-----	99
Section 819.	Rights Concerning Records-----	100
Section 820.	Audits Required-----	100
Section 821.	Contents of Audit Reports-----	100
Section 822.	Distribution of Audit Reports-----	101
Section 823.	Completion of Project-----	102
Section 824.	Arbitrage Bond Investments Pro- hibited-----	102
Section 825.	Bonds Are Not IDB's-----	103

#### ARTICLE IX

##### MISCELLANEOUS

Section 901.	Defeasance-----	104
Section 902.	Delegated Powers-----	104
Section 903.	Statute of Limitations-----	105
Section 904.	Evidence of Securityholders-----	106

	<u>Page</u>
Section 905. Warranty Upon Issuance of Bonds-----	107
Section 906. Immunities of Purchaser-----	107
Section 907. Prior Contracts-----	108
Section 908. Governmental Powers-----	108

#### ARTICLE X

##### PRIVILEGES, RIGHTS AND REMEDIES

Section 1001. Bondholder's Remedies-----	110
Section 1002. Right to Enforce Payment-----	110
Section 1003. Events of Default-----	110
Section 1004. Remedies for Defaults-----	111
Section 1005. Receiver's Rights and Privileges---	112
Section 1006. Rights and Privileges Cumulative---	112
Section 1007. Duties Upon Defaults-----	112
Section 1008. Duties in Bankruptcy Proceedings---	113
Section 1009. Prejudicial Action Unnecessary-----	113

#### ARTICLE XI

##### AMENDMENT OF INSTRUMENT

Section 1101. Privilege of Amendments-----	114
Section 1102. Limitations Upon Amendments-----	114
Section 1103. Notice of Amendment-----	115
Section 1104. Time for Amendment-----	115
Section 1105. Binding Consent to Amendment-----	116
Section 1106. Time Consent Binding-----	116
Section 1107. Unanimous Consent-----	116
Section 1108. Exclusion of Issuer's Bonds-----	117
Section 1109. Notation on Bonds-----	117
Section 1110. Proof of Instruments and Bonds-----	117

Summary--An ordinance authorizing the issuance of the Washoe County, Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds, Series September 1, 1976, in the principal amount of \$13,340,000; and otherwise concerning the bonds and the motor vehicle fuel taxes pledged for their payment.

BILL NO. 503

ORDINANCE NO. 335

(of Washoe County, Nevada)

AN ORDINANCE DESIGNATED BY THE SHORT TITLE "9-1-76 BOND ORDINANCE;" AUTHORIZING THE ISSUANCE BY WASHOE COUNTY OF ITS NEGOTIABLE, COUPON, "WASHOE COUNTY, NEVADA, HIGHWAY REVENUE (MOTOR VEHICLE FUEL TAX) REFUNDING BONDS, SERIES SEPTEMBER 1, 1976;" IN THE AGGREGATE PRINCIPAL AMOUNT OF \$13,340,000 FOR THE PURPOSE OF REFUNDING, PAYING, AND DISCHARGING OUTSTANDING WASHOE COUNTY, NEVADA, HIGHWAY IMPROVEMENT REVENUE (MOTOR VEHICLE FUEL TAX) BONDS; PROVIDING THEREFOR, INCLUDING, WITHOUT LIMITATION, THE PRIOR REDEMPTION OF A PORTION OF SUCH AND FOR THE FORM OF AND THE MANNER OF GIVING NOTICES OF SUCH PRIOR REDEMPTION AND OTHERWISE RELATING TO SUCH REFUNDING; PROVIDING FOR THE CREATION OF AN ESCROW AND A SPECIAL ESCROW ACCOUNT AND FOR THE EXECUTION OF AN ESCROW AGREEMENT PERTAINING THERETO, FOR THE PURCHASE OF FEDERAL SECURITIES WITH REFUNDING BOND PROCEEDS AND OTHER MONEYS, FOR THE DEPOSIT OF THE FEDERAL SECURITIES (OTHER THAN BOOK ENTRY SECURITIES), THE PROCEEDS OF FEDERAL SECURITIES, AND UNINVESTED MONEYS IN SUCH ESCROW, AND FOR THE TEMPORARY INVESTMENT AND POSSIBLY REINVESTMENT OF ESCROWED MONEYS IN SUCH FEDERAL SECURITIES AND FOR THE USE OF SUCH ESCROWED MONEYS; PROVIDING THE FORMS, TERMS, AND CONDITIONS OF THE REFUNDING BONDS, THE MANNER AND TERMS OF THEIR ISSUANCE, THE MANNER OF THEIR EXECUTION, THE METHOD OF THEIR PAYMENT, AND THE SECURITY THEREFOR, FOR THE USE OF THE BOND PROCEEDS, AND OTHER DETAILS

IN CONNECTION THEREWITH; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF CERTAIN MOTOR VEHICLE FUEL TAXES; PLEDGING REVENUES DERIVED FROM THE LEVY AND COLLECTION OF SUCH EXCISE TAXES AND OTHER MONEYS TO THE PAYMENT OF THE REFUNDING BONDS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM SUCH EXCISE TAXES AND OTHER PLEDGED REVENUES; PROVIDING OTHER COVENANTS, AGREEMENTS, AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING SUCH MOTOR VEHICLE FUEL TAXES, THE REFUNDING BONDS, THE OUTSTANDING BONDS TO BE REFUNDED, ADDITIONAL SECURITIES PAYABLE FROM PROCEEDS OF SUCH TAXES, OTHER PLEDGED REVENUES, AND OTHER MONEYS PERTAINING THERETO, THE ACCOUNTS AND FUNDS RELATING THERETO, SUCH ESCROW, AND THE ESCROW AGREEMENT; PROVIDING OTHER MATTERS RELATING TO THE FOREGOING MATTERS; RATIFYING ACTION HERETOFORE TAKEN AND PERTAINING TO SUCH MATTERS; BY DECLARING THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE, AND PAYMENT OF THE REFUNDING BONDS, PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

(1) WHEREAS, the County of Washoe, in the State of Nevada (herein the "County" and merely the "Issuer," and the "State," respectively), is a county incorporated and operating under the laws of the State; and

(2) WHEREAS, there has been prepared a "Regional Master Plan Study #1, as amended, Streets & Highways, a part of the Master Plan for Washoe County, Nevada" (herein sometimes designated as the "Plan"); and

(3) WHEREAS, the Regional Planning Commission of Reno, Sparks and Washoe County has adopted the Plan, including, without limitation, amendments thereto; and

(4) WHEREAS, the Board of County Commissioners of the Issuer (herein sometimes designated as the "Board" or merely the "Governing Body") has approved and adopted the Plan, including, without limitation, amendments thereto; and

(5) WHEREAS, the State legislature adopted and the Governor approved on the 13th day of April, 1965, ch. 470,



Statutes of Nevada 1965, designated as §§ 373.010 through 373.200, Nevada Revised Statutes, which act, as from time to time amended, is cited in § 373.010 thereof as the "County Motor Vehicle Fuel Tax Law" (herein sometimes designated as the "Project Act"); and

(6) WHEREAS, pursuant to the Project Act, the Governing Body created the Regional Street and Highway Commission of Washoe County, State of Nevada (herein sometimes designated as the "Highway Commission"); and

(7) WHEREAS, in addition to any other taxes provided by law, the Governing Body levied and required to be paid an excise tax of one cent (1¢) per gallon on all motor vehicle fuel sold, distributed or used in the County (subject to certain exceptions), imposed and effective commencing on the first day of August, 1965, by Ordinance No. 132 (Bill No. 118), proposed and passed as an emergency measure on the 15th day of June, 1965, and in effect increased such excise tax from one cent (1¢) per gallon to two cents (2¢) per gallon, effective the first day of May, 1970, by Ordinance No. 132 (Bill No. 239), proposed on the 16th day of February, 1970, and passed on the 5th day of March, 1970, and as otherwise amended (herein sometimes designated as the "Tax Ordinance"); and

(8) WHEREAS, the first representatives of the Highway Commission were selected within thirty (30) days after the passage of the Tax Ordinance, and on the 9th day of July, 1965, the County contracted with the Nevada Tax Commission (herein sometimes designated as the "Tax Commission") to perform all functions incident to the administration or operation of the Tax Ordinance, as required by the Project Act and the Tax Ordinance; and

(9) WHEREAS, the street and highway construction heretofore authorized and financed wholly or in part with proceeds of the bonds of the 4 series hereinafter designated is within the area covered by the Plan; and

(10) WHEREAS, subsections 2 and 3 of § 373.130, Project Act, provide:

"2. The board may, after the enactment of an ordinance as authorized by NRS 373.030, from time to time issue revenue bonds and other revenue securities, on the behalf and in the name of the county:

"(a) The total of all of which, issued and outstanding at any one time, shall not be in an amount requiring a total debt service in excess of the estimated receipts to be derived from the tax imposed pursuant to the provisions of NRS 373.030; and

"(b) Which shall not be general obligations of the county or a charge on any real estate therein; but

"(c) Which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the motor vehicle fuel taxes herein designated, except such portion of such receipts as may be required for the direct distributions authorized by NRS 373.150.

"3. A county is authorized to issue bonds in such manner and with such terms as herein provided."

and

(11) WHEREAS, subsection 6, § 373.130, Project Act, provides, subject to certain expressed exceptions here irrelevant, that:

\*\*\*\* all bonds and other securities issued hereunder shall be payable solely from the proceeds of motor vehicle fuel taxes collected by or remitted to the county pursuant to ch. 365 of NRS, as supplemented by this chapter (i.e., ch. 373 of NRS). Receipts of the taxes levied in NRS 365.180 and 365.190 and accounted for in the general road fund of the county may be used by the county for the payment of securities issued hereunder and may be pledged therefor. If during any period any securities payable from such tax proceeds are outstanding, such tax receipts shall not be used directly for the construction, maintenance and repair of any streets, roads or other highways nor for any purchase of equipment therefor, and the receipts of the tax levied in NRS 365.190 shall not be apportioned pursuant to subsection 2 of NRS 365.560 unless, at any time such tax receipts are so apportioned, provision has been duly made in a timely manner for the payment of such outstanding securities as to the principal of, any prior redemption premiums due in connection with, and the interest on the securities as the same become due, as provided in

the securities, the ordinance authorizing their issuance, and any other instruments appertaining to the securities." (Parenthetical citation added to quotation herein.)

and

(12) WHEREAS, § 373.160, Project Act, reads in part:

"1. The ordinance or ordinances providing for the issuance of any bonds or other securities issued hereunder payable from the receipts from the motor vehicle fuel excise taxes herein designated may at the discretion of the board, in addition to covenants and other provisions authorized in the Local Government Securities Law, contain covenants or other provisions as to the pledge of and the creation of a lien upon the receipts of the tax collected for the county hereunder (excluding any tax proceeds to be distributed directly under the provisions of NRS 373.150) or the proceeds of the bonds or other securities pending their application to defray the cost of the project, or both such tax proceeds and security proceeds, to secure the payment of revenue bonds or other securities issued hereunder.

"2. If the board determines in any ordinance authorizing the issuance of any bonds or other securities hereunder that the proceeds of the tax levied and collected pursuant to the County Motor Vehicle Fuel Tax Law are sufficient to pay all bonds and securities, including the proposed issue, from the proceeds thereof, the board may additionally secure the payment of any bonds or other securities issued pursuant to ordinance hereunder by a pledge of and the creation of a lien upon not only the proceeds of any motor fuel tax authorized at the time of the issuance of such securities to be used for such payment in subsection 6 of NRS 373.130, but also the proceeds of any such tax thereafter authorized to be used or pledged or used and pledged for the payment of such securities, whether such tax be levied or collected by the county, the State of Nevada, or otherwise, or be levied in at least an equivalent value in lieu of any such tax existing at the time of the issuance of such securities or be levied in supplementation thereof.

"3. The pledges and liens authorized by subsections 1 and 2 of this section shall extend to the proceeds of

any tax collected for use by the county or any motor vehicle fuel so long as any bonds or other securities issued hereunder remain outstanding and shall not be limited to any type or types of motor vehicle fuel in use when the bonds or other securities shall be issued."

and

(13) WHEREAS, pursuant to the Project Act, the Local Government Securities Law (herein "Bond Act"), and other acts supplemental thereto, and to proceedings duly had and taken, the sole Outstanding securities of the Issuer payable from revenues derived from such Fuel Taxes (herein the "Pledged Revenues") are the bonds remaining Outstanding of the following 4 series (herein collectively the "refunded bonds" and merely the "outstanding bonds"), in the aggregate principal amount of \$14,300,000.00 (prior to November 1, 1976):

A. Pursuant to Ordinance No. 151, duly introduced, passed, and adopted by the Board on November 3, 1966, and designated in § 101 thereof by the short title "11-1-66 bond ordinance," (herein the "11-1-66 Bond Ordinance") the County has issued its negotiable coupon "Washoe County, Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series November 1, 1966" (herein the "1966 bonds"), issued in the original aggregate principal amount of \$4,000,000.00, payable to bearer (except as such bonds subsequently may have been otherwise registered for payment as to principal pursuant to the authorizing proceedings), dated as of November 1, 1966, consisting of 800 bonds in the denomination of \$5,000.00 each, numbered consecutively in regular numerical order from 1 through 800, bearing interest from their date until their respective maturities at the rate of 5% per annum, interest being evidenced until the respective bond maturities by one set of interest coupons payable to bearer, attached to the bonds, and payable semi-annually on the first days of May and November in each year, commencing on the first day of May, 1967, and the bonds being numbered and maturing serially in regular numerical order on the first day of November in each of the designated amounts of principal and designated years, as follows:

<u>Bond Numbers</u> (All Inclusive)	<u>Principal</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
1 - 20	\$100,000.00	1967
21 - 40	100,000.00	1968
41 - 60	100,000.00	1969
61 - 80	100,000.00	1970
81 - 100	100,000.00	1971
101 - 121	105,000.00	1972
122 - 143	110,000.00	1973
144 - 166	115,000.00	1974
167 - 191	125,000.00	1975
192 - 217	130,000.00	1976
218 - 244	135,000.00	1977
245 - 272	140,000.00	1978
273 - 302	150,000.00	1979
303 - 333	155,000.00	1980
334 - 366	165,000.00	1981
367 - 400	170,000.00	1982
401 - 436	180,000.00	1983
437 - 474	190,000.00	1984
475 - 514	200,000.00	1985
515 - 556	210,000.00	1986
557 - 600	220,000.00	1987
601 - 646	230,000.00	1988
647 - 695	245,000.00	1989
696 - 746	255,000.00	1990
747 - 800	270,000.00	1991

the principal thereof, any prior redemption premiums due in connection therewith, and the interest thereon (herein collectively the "Bond Requirements" of the 1966 bonds) being payable in lawful money of the United States, upon presentation and surrender of the 1966 bonds and the annexed interest coupons as they severally become due, without deduction for exchange or collection charges, at the office of the County Treasurer of Washoe County, in Reno, Nevada;

B. The 1966 bonds numbered 1 through 217, maturing on and before November 1, 1976, are not subject to redemption prior to their respective maturities; except for the purpose of refunding the 1966 bonds numbered 218 through 800, maturing on and after November 1, 1977, they are subject to redemption prior to their respective maturities, in whole, or in part in inverse numerical order, at the option of the County, on November 1, 1976, or on any interest payment date thereafter up to and including May 1, 1981, at a price equal to the principal amount of each 1966 bond so redeemed, accrued interest thereon to the redemption date, and a premium consisting of 3% of the principal amount of each 1966 bond so redeemed; the 1966 bonds numbered 218 through 366, maturing on and before November 1, 1981, are not subject to redemption prior to their respective maturities for the purpose

of refunding them; and the 1966 bonds numbered 367 through 800, maturing on and after November 1, 1982, are subject to redemption prior to their respective maturities, in whole, or in part in inverse numerical order, at the option of the County, for the purpose of refunding them or otherwise, on November 1, 1981, or on any interest payment date thereafter, at a price equal to the principal amount of each 1966 bond so redeemed, accrued interest thereon to the redemption date, and a premium consisting of 2% of the principal amount of each 1966 bond so redeemed;

C. Of the 1966 bonds there remain Outstanding and unpaid (prior to November 1, 1976) the 1966 bonds numbered 192 through 800, in the aggregate principal amount of \$3,045,000.00;

D. Pursuant to Ordinance No. 167, duly introduced on April 22, 1969, and passed and adopted on May 5, 1969, by the Board, and designated in § 101 thereof by the short title "5-1-69 Bond Ordinance" (herein the "5-1-69 Bond Ordinance"), the County has issued its negotiable coupon "Washoe County, Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series May 1, 1969" (herein the "1969 bonds"), issued in the original aggregate principal amount of \$4,000,000.00, payable to bearer, dated as of May 1, 1969, consisting of 800 bonds in the denomination of \$5,000.00 each, numbered consecutively in regular numerical order from 1 through 800, bearing interest from their date until their respective maturities at the respective rates hereinafter designated, interest being evidenced until the respective bond maturities by one set of interest coupons payable to bearer, attached to the bonds, and payable on November 1, 1969, and semiannually thereafter on the first days of May and November in each year, and the bonds being numbered, bearing interest, and maturing serially in regular numerical order on the first day of November in each of the designated amounts of principal and designated years, as follows:

<u>Bond Numbers</u> <u>(All Inclusive)</u>	<u>Interest Rates</u> <u>(Per Annum)</u>	<u>Principal</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
1 - 13	6.00%	\$ 65,000.00	1970
14 - 28	6.00%	75,000.00	1971
29 - 44	6.00%	80,000.00	1972
45 - 61	6.00%	85,000.00	1973
62 - 79	6.00%	90,000.00	1974

<u>Bond Numbers</u> (All Inclusive)	<u>Interest Rates</u> (Per Annum)	<u>Principal</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
80 - 97	6.00%	\$ 90,000.00	1975
98 - 117	6.00%	100,000.00	1976
118 - 138	6.00%	105,000.00	1977
139 - 161	6.00%	115,000.00	1978
162 - 185	6.00%	120,000.00	1979
186 - 211	6.00%	130,000.00	1980
212 - 238	6.00%	135,000.00	1981
239 - 267	6.00%	145,000.00	1982
268 - 298	6.00%	155,000.00	1983
299 - 331	6.00%	165,000.00	1984
332 - 366	6.00%	175,000.00	1985
367 - 403	6.00%	185,000.00	1986
404 - 442	6.00%	195,000.00	1987
443 - 484	6.00%	210,000.00	1988
485 - 528	6.00%	220,000.00	1989
529 - 575	6.00%	235,000.00	1990
576 - 625	6.00%	250,000.00	1991
626 - 735	5-1/2%	550,000.00	1992
736 - 800	5-1/2%	325,000.00	1993

the Bond Requirements of the 1969 bonds being payable in lawful money of the United States, upon presentation and surrender of the 1969 bonds and the annexed interest coupons as they severally become due, without deduction for exchange or collection charges, at the First National Bank of Nevada, in Reno, Nevada;

E. The 1969 bonds numbered 1 through 331, maturing on and before November 1, 1984, are not subject to redemption prior to their respective maturities; and the 1969 bonds numbered 332 through 800, maturing on and after November 1, 1985, are subject to redemption prior to their respective maturities, in whole, or in part in inverse numerical order, at the option of the County, on November 1, 1984, or on any interest payment date thereafter, at a price equal to the principal amount of each 1969 bond so redeemed, accrued interest thereon to the redemption date, and a premium computed in accordance with the following schedule:

4.00% of the principal amount of each bond so redeemed if redeemed on or before May 1, 1985;

3.50% of such principal amount if redeemed thereafter and on or before May 1, 1986

3.00% of such principal amount if redeemed thereafter and on or before May 1, 1987;

2.50% of such principal amount if redeemed thereafter and on or before May 1, 1988;

2.00% of such principal amount if redeemed thereafter and on or before May 1, 1989;

1.50% of such principal amount if redeemed thereafter and on or before May 1, 1990; and

1.00% of such principal amount if redeemed thereafter.

F. Of the 1969 bonds there remain Outstanding and unpaid (prior to November 1, 1976) the 1969 bonds numbered 98 through 800, in the aggregate principal amount of \$3,515,000.00;

G. Pursuant to Ordinance No. 180, duly introduced, passed, and adopted by the Board on May 20, 1971, and designated in § 101 thereof by the short title "5-1-71 Bond Ordinance" (herein the "5-1-71 Bond Ordinance"), the County has issued its negotiable coupon "Washoe County, Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series May 1, 1971" (herein the "1971(1) bonds"), issued in the original aggregate principal amount of \$2,750,000.00, payable to bearer, dated as of May 1, 1971, consisting of 550 bonds in the denomination of \$5,000.00 each, numbered consecutively in regular numerical order from 1 through 550, bearing interest from their date until their respective maturities at the respective rates hereafter designated, interest being evidenced until the respective bond maturities by one set of interest coupons payable to bearer, attached to the bonds, and payable on November 1, 1971, and semi-annually thereafter on the first days of May and November in each year, and the bonds being numbered, bearing interest, and maturing serially in regular numerical order on the first day of November in each of the designated amounts of principal and designated years as follows:

<u>Bond Numbers</u> <u>(All Inclusive)</u>	<u>Interest Rates</u> <u>(Per Annum)</u>	<u>Principal</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
1 - 7	6.50%	\$ 35,000.00	1972
8 - 15	6.50%	40,000.00	1973
16 - 23	7.00%	40,000.00	1974
24 - 32	7.00%	45,000.00	1975
33 - 41	7.00%	45,000.00	1976



<u>Bond Numbers</u> (All Inclusive)	<u>Interest Rates</u> (Per Annum)	<u>Principal</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
42 - 51	7.00%	\$ 50,000.00	1977
52 - 62	7.00%	55,000.00	1978
63 - 73	7.00%	55,000.00	1979
74 - 85	7.00%	60,000.00	1980
86 - 98	7.00%	65,000.00	1981
99 - 112	7.00%	70,000.00	1982
113 - 127	7.00%	75,000.00	1983
128 - 142	6.50%	75,000.00	1984
143 - 158	6.50%	80,000.00	1985
159 - 176	6.50%	90,000.00	1986
177 - 195	6.50%	95,000.00	1987
196 - 215	6.50%	100,000.00	1988
216 - 236	6.50%	105,000.00	1989
237 - 259	6.50%	115,000.00	1990
260 - 283	6.50%	120,000.00	1991
284 - 309	6.70%	130,000.00	1992
310 - 337	6.70%	140,000.00	1993
338 - 367	6.70%	150,000.00	1994
368 - 399	6.75%	160,000.00	1995
400 - 433	6.75%	170,000.00	1996
434 - 469	6.75%	180,000.00	1997
470 - 508	6.75%	195,000.00	1998
509 - 550	6.75%	210,000.00	1999

the Bond Requirements of the 1971(1) bonds being payable in lawful money of the United States, upon presentation and surrender of the 1971(1) bonds and the annexed interest coupons as they severally become due, without deduction for exchange or collection charges, at the office of the County Treasurer of Washoe County, in Reno, Nevada or at the Security National Bank of Nevada, in Reno, Nevada, at the option of the holder of any 1971(1) bond or any coupon pertaining thereto;

H. The 1971(1) bonds numbered 1 through 158, maturing on and before November 1, 1985, are not subject to redemption prior to their respective maturities; and the 1971(1) bonds numbered 159 through 550, maturing on and after November 1, 1986, are subject to redemption prior to their respective maturities, in whole, or in part in inverse numerical order, at the option of the County, on November 1, 1985, or on any interest payment date thereafter, at a price equal to the principal amount of each 1971(1) bond so redeemed, accrued interest thereon to the redemption date, and a premium computed in accordance with the following schedule:

- 5.00% of the principal amount of each bond so redeemed if redeemed on or before May 1, 1986;
- 4.75% of such principal amount if redeemed thereafter and on or before May 1, 1987;
- 4.50% of such principal amount if redeemed thereafter and on or before May 1, 1988;
- 4.25% of such principal amount if redeemed thereafter and on or before May 1, 1989;
- 4.00% of such principal amount if redeemed thereafter and on or before May 1, 1990;
- 3.75% of such principal amount if redeemed thereafter and on or before May 1, 1991;
- 3.50% of such principal amount if redeemed thereafter and on or before May 1, 1992;
- 3.25% of such principal amount if redeemed thereafter and on or before May 1, 1993;
- 3.00% of such principal amount if redeemed thereafter and on or before May 1, 1994;
- 2.75% of such principal amount if redeemed thereafter and on or before May 1, 1995;
- 2.50% of such principal amount if redeemed thereafter and on or before May 1, 1996;
- 2.25% of such principal amount if redeemed thereafter and on or before May 1, 1997;  
and
- 2.00% of such principal amount if redeemed thereafter;

I. Of the 1971(1) bonds there remain Outstanding and unpaid (prior to November 1, 1976) the 1971(1) bonds numbered 33 through 550, in the aggregate principal amount of \$2,590,000.00;

J. Pursuant to Ordinance No. 183, duly introduced, passed, and adopted by the Board on November 15, 1971, and designated in § 101 thereof by the short title "11-1-71 Bond Ordinance" (herein the "11-1-71 Bond Ordinance"), the County has issued its negotiable coupon "Washoe County Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series November 1, 1971" (herein the "1971(2) bonds"), issued in the original aggregate principal amount of \$5,400,000.00, payable to bearer, dated as of November 1, 1971, consisting of 1080 bonds in the denomination of

\$5,000.00 each, numbered consecutively in regular numerical order from 1 through 1080, bearing interest from their date until their respective maturities at the respective rates hereafter designated, interest being evidenced until the respective bond maturities by one set of interest coupons payable to bearer, attached to the bonds, and payable on the first days of May and November in each year, commencing on the first day of May, 1972, and the bonds being numbered and maturing serially in regular numerical order on the first day of November in each of the designated amounts of principal and designated years as follows:

<u>Bond Numbers</u> (All Inclusive)	<u>Interest Rates</u> (Per Annum)	<u>Principal</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
1 - 11	6.50%	\$ 55,000.00	1972
12 - 23	6.50%	60,000.00	1973
24 - 36	6.50%	65,000.00	1974
37 - 50	6.50%	70,000.00	1975
51 - 65	6.50%	75,000.00	1976
66 - 81	6.50%	80,000.00	1977
82 - 98	6.50%	85,000.00	1978
99 - 117	6.50%	95,000.00	1979
118 - 137	6.50%	100,000.00	1980
138 - 158	6.25%	105,000.00	1981
159 - 181	6.25%	115,000.00	1982
182 - 206	6.25%	125,000.00	1983
207 - 233	6.25%	135,000.00	1984
234 - 261	6.25%	140,000.00	1985
262 - 291	6.10%	150,000.00	1986
292 - 323	6.10%	160,000.00	1987
324 - 358	6.10%	175,000.00	1988
359 - 395	6.10%	185,000.00	1989
396 - 435	6.10%	200,000.00	1990
436 - 478	6.20%	215,000.00	1991
479 - 524	6.20%	230,000.00	1992
525 - 573	6.20%	245,000.00	1993
574 - 626	6.20%	265,000.00	1994
627 - 683	6.20%	285,000.00	1995
684 - 744	6.20%	305,000.00	1996
745 - 809	6.20%	325,000.00	1997
810 - 879	6.20%	350,000.00	1998
880 - 954	6.20%	375,000.00	1999
955 - 1034	5.25%	400,000.00	2000
1035 - 1080	5.25%	230,000.00	2001

the Bond Requirements of the 1971(2) bonds being payable in lawful money of the United States of America, upon presentation and surrender of the 1971(2) bonds and the annexed

interest coupons as they severally become due, without deduction for exchange or collection charges, at the office of the County Treasurer of Washoe County, in Reno, Nevada;

K. The 1971(2) bonds numbered 1 through 261, maturing on and before November 1, 1985, are not subject to redemption prior to their respective maturities; and the 1971(2) bonds numbered 262 through 1080, maturing on and after November 1, 1986, are subject to redemption prior to their respective maturities, in whole or in part in inverse numerical order, at the option of the County, on November 1, 1985, or on any interest payment date thereafter, at a price equal to the principal amount of each 1971(2) bond so redeemed, accrued interest thereon to the redemption date, and a premium computed in accordance with the following schedule:

- 4.00% of the principal amount of each bond so redeemed if redeemed on or before May 1, 1986;
- 3.75% of such principal amount if redeemed thereafter and on or before May 1, 1987;
- 3.50% of such principal amount if redeemed thereafter and on or before May 1, 1988;
- 3.25% of such principal amount if redeemed thereafter and on or before May 1, 1989;
- 3.00% of such principal amount if redeemed thereafter and on or before May 1, 1990;
- 2.75% of such principal amount if redeemed thereafter and on or before May 1, 1991;
- 2.50% of such principal amount if redeemed thereafter and on or before May 1, 1992;
- 2.25% of such principal amount if redeemed thereafter and on or before May 1, 1993;
- 2.00% of such principal amount if redeemed thereafter and on or before May 1, 1994;
- 1.75% of such principal amount if redeemed thereafter and on or before May 1, 1995;
- 1.50% of such principal amount if redeemed thereafter and on or before May 1, 1996;
- 1.25% of such principal amount if redeemed thereafter and on or before May 1, 1997;  
and
- 1.00% of such principal amount if redeemed thereafter;

L. Of the 1971(2) bonds there remain Outstanding and unpaid (Prior to November 1, 1976) the 1971(2) bonds numbered 51 through 1080, in the aggregate principal amount of \$5,150,000.00;

and

(14) WHEREAS, the 1966 bonds, the 1969 bonds, the 1971(1) bonds and the 1971(2) bonds are special obligations of the County payable from such Fuel Taxes, now consisting of two cents (\$.02) per gallon on all motor vehicle fuel sold, distributed or used in and levied by the County by the Tax Ordinance, and of an additional one and one-half cent (1-1/2¢) per gallon on all motor vehicle fuel sold, distributed or used in and levied by the State by sections 365.180 and 365.190, Tax Act, and distributed in part to the County (as well as the other counties of the State) by sections 365.550 and 365.560, Tax Act, but subject to the exempt sales and other exempt transactions provided by law, and subject to the credits and refunds authorized by law and pertaining thereto except those defrayed as Administration Expenses, after provision is made for the payment of certain Administration Expenses, including, without limitation, deductions to reimburse dealers and users for certain handling losses, to make certain refunds to taxpayers, and to make certain other remittances and deposits required by law (herein the "Pledged Revenues," and "Gross Pledged Revenues," and the "Net Pledged Revenues," respectively); and

(15) WHEREAS, §§ 703, 704, 707 and 708 of each the 11-1-66 Bond Ordinance, the 5-1-69 Bond Ordinance, the 5-1-71 Bond Ordinance, and the 11-1-71 Bond Ordinance, all as respectively supplemented by other provisions of such instruments, provide certain conditions which must be met before additional bonds may be issued with a lien on the Net Pledged Revenues which is on a parity with the lien thereon of the 1966 bonds, the 1969 bonds, the 1971(1) bonds, and the 1971(2) bonds; and

(16) WHEREAS, the Project Act further provides in relevant part:

"373.120 1. No county motor vehicle fuel tax ordinance shall be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding bonds issued hereunder or other obligations incurred hereunder, until all obligations for which revenues from such ordinance have been pledged or otherwise made payable from such revenues, pursuant to this chapter,

have been discharged in full, but the board may at any time dissolve the commission and provide that no further obligations shall be incurred thereafter.

"2. The faith of the State of Nevada is hereby pledged that this chapter, NRS 365.180 to 365.200, inclusive, and any law supplemental thereto, including without limitation, provisions for the distribution to any county designated in NRS 373.030 of the proceeds of the motor vehicle fuel taxes collected thereunder, shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding bonds issued hereunder or other obligations incurred hereunder, until all obligations for which any such tax proceeds have been pledged or otherwise made payable from such tax proceeds, pursuant to this chapter, have been discharged in full, but the State of Nevada may at any time provide by act that no further obligations shall be incurred thereafter."

and

(17) WHEREAS, subsequent to the issuance of the 1966 bonds but before the issuance of the 1969 bonds, the State enacted a law supplemental in nature and providing a procedure for the Issuer and other municipalities for financing any project otherwise authorized by law (other than by the levy and collection of special assessments) and for the issuance of bonds and other securities to evidence or reevidence obligations incurred in connection with any such project, which act was adopted as ch. 197, Statutes of Nevada 1967, is designated in § 2 thereof as the "Local Government Securities Law," and is now cited as NRS 350.500 through 350.720, i.e. the above-designated Bond Act; and

(18) WHEREAS, the Bond Act provides in relevant part:

"350.606 Recourse against municipal officers and agents; Acceptance of securities constitutes waiver, release. No recourse shall be had for the payment of the principal of, any interest on, and any prior redemption premiums due in connection with any bonds or other municipal securities or for any claim based thereon or otherwise upon the ordinance authorizing their

issuance or other instrument appertaining thereto, against any individual member of the governing body or any officer or other agent of the municipality, past, present or future, either directly or indirectly through the governing body or the municipality, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the endorsement [sic] of any penalty or otherwise, all such liability, if any, being by the acceptance of the securities and as a part of the consideration of their issuance specially waived and released.

\* \* \* \* \*

"350.610 Faith of state pledged against repeal, amendment, modification of Local Government Securities Law. The faith of the state is hereby pledged that the Local Government Securities Law, any law supplemental or otherwise appertaining thereto, and any other act concerning the bonds or other municipal securities, \*\*\* or the pledged revenues or any combination of such securities, \*\*\* and such revenues, shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding municipal securities, until all such securities have been discharged in full or provision for their payment and redemption has been fully made, including without limitation the known minimum yield from the investment or reinvestment of moneys pledged therefor in federal securities."

and

(19) WHEREAS, except as hereinabove otherwise provided, the County has never pledged nor in any way hypothecated revenues derived or to be derived (directly or indirectly) from any excise tax pertaining to motor vehicle fuel to the payment of any bonds or for any other purpose, with the result that the proceeds of the Pledged Revenues may now be pledged lawfully and irrevocably for the redemption of the bonds herein authorized (herein the "1976 bonds," the "refunding bonds," and merely the "bonds"), and they may be made payable from the Pledged Revenues, all as herein provided; and

(20) WHEREAS, E. F. Hutton and Company, Inc., Denver, Colorado, and Refsnes, Ely, Beck & Company, a division of Rauscher Pierce Securities Corporation, Phoenix, Arizona (herein jointly the "Purchaser"), jointly submitted a proposal, dated as of October 12, 1976 (which proposal, as supplemented by subsequent written notice of the Purchaser, is herein designated the "Proposal") for the purchase of the Issuer's negotiable, coupon, highway revenue refunding bonds, i. e., the 1976 bonds, as herein provided,

for a purchase price consisting of their principal amount, accrued interest thereon from their date to the date of their delivery, and a premium of \$4,244.80 for the purpose of re-funding, paying and discharging, together with other available moneys, the outstanding bonds as therein and herein more specifically set forth (herein the "Project"); and

(21) WHEREAS, the Proposal, accepted on behalf of the Issuer by its Manager pursuant to due authorization of the Governing Body on October 13, 1976, further provides for the payment of certain administrative expenses of the Project by the Issuer and, for the purchase by the Issuer from the Federal Government of certain federal securities constituting direct obligations of the United States, State and Local Government Series, designated in the Proposal (herein the "Original Federal Securities"), for a purchase price not exceeding \$13,340,000, (i. e., an amount equal to the principal amount of the 1976 bonds), plus \$4,244.80 (i. e., an amount equal to the premium to be paid by the Purchaser on the sale of the 1976 bonds), plus that portion of the accrued interest on the 1976 bonds from their date to the date of their delivery in excess of \$120,900, plus \$848,346, less the amount of the initially uninvested cash balance in the Escrow Account; and

(22) WHEREAS, the Original Federal Securities shall be issued and held by the Federal Government in book-entry form on the books of the U. S. Department of the Treasury, Bureau of the Public Debt, in Washington, D. C., subsequent to



their purchase therefrom by the Issuer until the respective principal and interest payment dates of such securities; and

(23) WHEREAS, the Proposal also provides for the establishment with the Original Federal Securities (subject to the retention of the Original Federal Securities as book-entries by the Federal Government as hereinabove stated) and the initial uninvested cash balance of an "escrow account" (herein the "Escrow Account and the "Refunding Fund") and for the employment of a firm of certified public accounts to verify portions of the proposed transactions pertaining to the Escrow Account and of a firm of consulting actuaries to verify other portions of such transactions; and

(24) WHEREAS, the Security National Bank of Nevada (herein the "Escrow Bank"), in Reno, Nevada, has been designated as the depository commercial bank for the moneys and Federal Securities credited to the Escrow Account; and there has been prepared and filed with the Issuer a proposed "Washoe County, Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds 9-1-76 Escrow Agreement" (herein the "Escrow Agreement"), between the Issuer and the Escrow Bank, and pertaining to the Escrow Account, such moneys and such Federal Securities; and

(25) WHEREAS, the Bond Act provides in relevant part:

"350.684 Refunding of bonds: Ordinance; trust indenture. Subject to the provisions of NRS 350.674, any general obligation bonds or special obligation bonds of the municipality issued in accordance with the Provisions of the Local Government Securities Law or any other act and payable from any pledged revenues and any general obligation bonds of the municipality so issued but not payable from pledged revenues may be refunded on behalf of the municipality by the governing body, without the necessity of the refunding bonds being authorized at an election except as otherwise provided in NRS 350.674, by the adoption of an ordinance or ordinances by the governing body and by any trust indenture or other proceedings appertaining thereto, authorizing the issuance of refunding bonds to refund, pay and discharge all or any part of such outstanding bonds of any one or more or all outstanding issues:

1. For the acceleration, deceleration or other modification of the payment of such obligations, including any interest thereon in arrears, or about to become due for

any period not exceeding 3 years from the date of the refunding bonds, unless the capitalization of interest on bonds constituting an indebtedness increases the municipal debt in excess of the municipality's debt limitation, if any; or

2. For the purpose of reducing interest costs or effecting other economies; or

3. For the purpose of modifying or eliminating restrictive contractual limitations appertaining to the issuance of additional bonds, otherwise concerning the outstanding bonds, or otherwise relating to any facilities appertaining thereto; or

4. For any combination of the purposes stated in subsections 1, 2, and 3.

\* \* \* \* \*

"350.694 Conditions for refunding bonds.

1. No bonds may be refunded hereunder unless they have been outstanding for at least 1 year from the date of their delivery and unless the holders thereof voluntarily surrender them for exchange or payment, or unless they either mature or are callable for prior redemption under their terms within 15 years from the date of issuance of the refunding bonds. Provision shall be made for paying the securities within such period of time.

2. No maturity of any bond refunded may be extended over 15 years, or beyond 1 year next following the date of the last outstanding maturity, whichever limitation is later, nor may any interest on any bond refunded be increased to any rate exceeding 9 percent per annum.

3. The principal amount of the refunding bonds may exceed the principal amount of the refunded bonds if the aggregate principal and interest costs of the bonds refunded do not exceed such unaccrued costs of the bonds refunded, except to the extent any interest on the bonds refunded in arrears or about to become due is capitalized with the proceeds of the refunding bonds. Principal may also then be increased to that extent. In no event, however, in the case of any bonds constituting a debt shall the principal of the bonds be increased to any amount in excess of any municipal debt limitation.

4. The principal amount of the refunding bonds may also be less than or the same as the principal amount of the bonds being refunded so long as provision is duly and sufficiently made for their payment.

5. If at the time of the issuance of any issue of general obligation refunding bonds provision is not made for the redemption of all the outstanding bonds of the or each issue refunded, as the case may be, by the use of proceeds of the refunding bonds and any other moneys available for such redemption, the general obligation refunding bonds may mature but are not required to mature serially commencing not later than the third year after their respective dates in accordance with subsection 2 of NRS 350.630."

and

(26) WHEREAS, the Governing Body has considered, has further determined, and does hereby declare:

A. The Governing Body has studied the desirability and feasibility of the Project and of issuing the 1976 bonds for that purpose, which bonds are to be payable from Pledged Revenues, and pursuant to such study opinions thereabout have been formed;

B. It is necessary and for the best interests of the County and the inhabitants thereof that the County effect the Project and that with the principal of the 1976 bonds and any other available moneys the County shall defray the cost of the Project;

C. The total of all revenue bonds and any other securities payable from Pledged Revenues issued on the behalf and in the name of the County, and consisting only of the 1976 bonds herein authorized (but not the Outstanding 1966 bonds, the 1969 bonds, the 1971(1) bonds, and the 1971(2) bonds, all of which are to be refunded with proceeds of the 1976 bonds and possibly other available moneys):

(i) shall not be in an amount requiring a total debt service in excess of the net receipts estimated by the Board to be derived from the tax imposed pursuant to the provisions of § 373.030, Project Act, i.e. the proceeds of the Fuel Taxes levied by the County by the Tax Ordinance, as amended from time to time, of two cents (\$.02) per gallon (subject to certain exceptions), as recited in the 14th preamble hereof; and

(ii) shall not be general obligations of the County or a charge on any real estate therein; but

(iii) shall be secured as to principal and interest by a pledge authorized by the Project Act of the net receipts from the motor vehicle fuel taxes therein

designated, i.e., the Fuel Taxes levied by the County and the State of three and one-half cents (\$.035) per gallon (subject to certain exceptions, as herein recited); and

D. Thus the limitation imposed by ¶ (a), subsection 2, § 373.130, Project Act, is met;

E. Pursuant to subsection 6, § 373.130, Project Act, to subsections 3 through 6, § 373.160, Project Act, and all provisions in the act supplemental thereto, the payment of the 1976 bonds shall be and hereby are required not only to be secured by a pledge of and by the creation of a lien on the proceeds of the tax of two cents (\$.02) per gallon levied by the Issuer and collected pursuant to the Project Act by the Tax Ordinance, as provided and subject to the exceptions stated in this Instrument, in the Tax Ordinance, and in the Project Act, but also to be secured additionally by a pledge of and by the creation of a lien on (but not necessarily limited to) the proceeds of the tax of another one-half cent (\$.005) and another one cent (\$.01) per gallon levied respectively in NRS 365.180 and 365.190, and transmitted by the State in part to the Issuer originally to be accounted for in the general road fund of the Issuer (in the absence of such pledge and lien), pursuant to NRS 365.550 and 365.560, as provided and subject to the exceptions stated in this Instrument, in ch. 365 of NRS, and in the Project Act;

F. The net proceeds of the tax levied and collected pursuant to the County Motor Vehicle Fuel Tax Law (i.e., the Project Act) are sufficient to pay all bonds and securities, i.e., the proposed 1976 bonds, from the proceeds thereof;

G. Thus, the limitation imposed by subsection 2, § 373.160, Project Act, is met; and accordingly the Board, on the behalf and in the name of the County, may additionally secure the payment of the 1976 bonds issued pursuant to this Instrument under the Project Act by a pledge of and the creation of a lien on not only the proceeds of any motor fuel tax authorized at the time of the issuance of such securities to be used for such payment of all such securities payable from the Pledged Revenues, and authorized in subsection 6, §373.130, Project Act, but also the proceeds of any such tax hereafter authorized to be used or pledged or used and pledged for the

payment of such securities, whether such tax be levied or collected by the County, the State, or otherwise, or be levied in at least an equivalent value in lieu of any such tax existing at the time of the issuance of such securities or be levied in supplementation thereof;

H. Pursuant to subsection 3, § 373.160, Project Act, the pledges and liens authorized by subsections 1 and 2, § 373.160, Project Act, shall extend to the proceeds of any tax collected for use by the County on any motor vehicle fuel so long as any bonds or other securities issued under the Project Act remain Outstanding and shall not be limited to any type or types of motor vehicle fuel in use when the bonds or other securities are issued; and the revenues pledged for the payment of the 1976 bonds, as received by the County, shall immediately be subject to the lien of each such pledge without any physical delivery thereof, any filing, or further act, and the lien of each such pledge and the obligation to perform the contractual provisions made in this Instrument shall have priority over any or all other obligations and liabilities of the County, except as may be otherwise provided in the Project Act or in this Instrument, and subject to any prior pledges and liens heretofore created; and the lien of each such pledge shall be valid and binding as against all Persons having claims of any kind in tort, contract or otherwise against the County irrespective of whether such Persons have notice thereof;

I. The 1976 bonds shall be payable from that portion of the net proceeds of such Fuel Taxes (as herein defined) which may be pledged to secure the payment of the bonds, i.e., from the Gross Pledged Revenues:

(i) Except for charges payable therefrom to reimburse the Tax Commission for the collection and transmittal to the County of the Fuel Taxes and otherwise for the performance by the Tax Commission of all functions incident to the administration or operation of the Tax Ordinance, and

(ii) Except for any other Administrative Expenses, as herein defined, as such net proceeds are credited to the Regional Street and Highway Fund in the County Treasury (herein the "Highway Fund"), or otherwise;

J. The payment of the 1976 bonds shall be secured by a pledge of an irrevocable and a first (but not necessarily an exclusively first) lien on the Net Pledged Revenues;

K. The pledge of and lien on the Net Pledged Revenues for the payment of securities payable therefrom and issued under the Project Act have not heretofore been extended to any Fuel Taxes other than the above-designated taxes of three and one-half cents (\$.035) per gallon; but such pledges and liens have been extended to such taxes by amendment of the Project Act, laws supplemental thereto, and the Tax Ordinance;

L. By the issuance of the 1976 bonds and the refunding, payment, and discharge of the Outstanding 1966 bonds, 1969 bonds, 1971(1) bonds, and 1971(2) bonds:

(i) The Issuer shall reduce the requirements of the historic earnings test for the issuance of parity securities from 200% to 150% as such test is stated in § 703 B of this Instrument and in § 703 B of each the 11-1-66 Bond Ordinance, the 5-1-69 Bond Ordinance, the 5-1-71 Bond Ordinance, and the 11-1-71 Bond Ordinance; and after the defeasance under § 901 of each such instrument by the creation of the Escrow Account and its funding of the pledges of and the liens on the Net Pledged Revenues to secure the payment of the outstanding bonds, the Issuer shall thereby make possible the issuance of a larger amount of parity securities to defray the growing need for highway and street improvements under the Plan, as from time to time amended,

(ii) The 1976 bond contract shall merely require the accumulation and upon the issuance of any parity securities the reaccumulation in the Reserve Fund hereinafter authorized of an amount at least equal to the combined maximum annual principal and interest requirements of the 1976 bonds and any parity securities hereafter authorized to be issued, rather than the accumulation in a reserve account for the securities of each outstanding bond issue as a minimum bond reserve of a specified dollar sum for each such issue and rather than the accumulation in a separate reserve account for the securities of each parity issue of an amount at least

equal to the maximum annual principal and interest requirements of the bonds of each such issue, as is now required by § 714 of each the 5-1-69 Bond Ordinance, the 5-1-71 Bond Ordinance, and the 11-1-71 Bond Ordinance (but not the 5-1-66 Bond Ordinance); and the Issuer can thereby materially reduce the amounts of moneys now required to be accumulated and maintained as securities reserves without materially affecting the quality of securities of the Issuer payable from the Net Pledged Revenues,

(iii) The Refunding Project immediately makes available surplus reserve funds which are not wholly needed for the Refunding Project, and the Issuer can use such surplus funds to defray the cost of urgently needed highway and street improvements for which no funds are otherwise available,

(iv) The Refunding Project enables the Issuer to reorganize its schedule of debt service and thereby to achieve a more level annual debt service schedule, and

(v) The Issuer can ameliorate under existing market conditions the provisions for the prior redemption of the 1976 bonds compared with such provisions for the prior redemption of the outstanding bonds of the 4 series being refunded without adversely affecting the price received for the purchase of the 1976 bonds;

M. In accordance with subsection 4, § 350.694, Bond Act, the principal amount of the refunding bonds is less than the principal amount of the outstanding bonds being refunded, but provision is duly and sufficiently made for their payment as the Bond Requirements of the refunded bonds become due from time to time;

N. All action preliminary to the authorization of the issuance of the 1976 bonds has been taken;

O. The Issuer shall forthwith effect the Project with reasonable diligence, shall apply the proceeds of the principal amount of the 1976 bonds to defray in part the cost of the Project, and shall invest such bond proceeds and other moneys accounted for in the Escrow Account in Federal Securities pursuant to §§ 350.696 and 350.698, Bond Act, or as may otherwise be authorized by law, but as provided herein and in the Escrow Agreement, until such proceeds are needed so to defray the cost of the Project;

P. It is necessary to secure and preserve the public health, safety, convenience and welfare of the people of the Issuer that it issue the bonds for the Project pursuant to the Project Act, the Bond Act, and all laws supplemental thereto;

Q. Each of the limitations and other conditions to the issuance of the 1976 bonds in the Bond Act and any other relevant act of the State or the Federal Government has been met; and pursuant to § 350.708, Bond Act, this determination of the Governing Body that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion;

R. The 1976 bonds shall otherwise be issued in strict compliance with the Bond Act, any other relevant act supplemental thereto, and as may be otherwise provided by law;

S. The Governing Body has also determined and does hereby also declare that this Instrument pertains to the sale, issuance and payment of the 1976 bonds;

T. Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of subsection 2, § 350.579, Bond Act;

U. This Instrument may accordingly be adopted as if an emergency now exists by an affirmative vote of not less than two-thirds of all the voting members of the Governing Body (excluding from any such computation any vacancy on the Governing Body and any member thereon who may vote only to break a tie vote, there being no such member), and this Instrument may become effective at any time when an emergency instrument of the Issuer may go into effect;

V. It is advisable and in the best interest of the County to make appropriate provisions herein for the future issuance of additional bonds or other securities payable from the Pledged Revenues to be derived hereafter, which additional bonds or other securities, if and when authorized in accordance with law, will, subject to designated conditions, occupy a position of parity and enjoy an equality of lien on the Pledged Revenues with the bonds herein authorized, and further to prescribe the restrictions, covenants, and limitations which shall govern the issuance of any additional bonds or any other additional securities payable from the Pledged Revenues;

and



(27) WHEREAS, due to the necessity of issuing without delay the 1976 bonds at a time when a volatile and rapidly changing market without predictable direction permits their sale and issuance on terms favorable to the Issuer, and due to the necessity of undertaking the Project without further delay and of avoiding any material and rapid escalation of costs of acquiring the Federal Securities for the proposed Escrow Account, the Governing Body has determined, and does hereby declare, that this ordinance shall take effect from and after its passage and publication twice by title and collateral statement in accordance with law, as if an emergency now exists (as in fact it does).

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHOE, IN THE STATE OF NEVADA, DO ORDAIN:

ARTICLE ISHORT TITLE, DEFINITIONS,  
INTERPRETATION, RATIFICATION,  
TRANSMITTAL AND EFFECTIVE DATE

Section 101. Short Title. This ordinance may be designated by the short title "9-1-76 Bond Ordinance" (herein this "Instrument").

Section 102. Meanings and Construction.

A. Definitions. The terms in this section defined for all purposes of this Instrument and of any instrument amendatory hereof or supplemental hereto, or relating hereto, and of any other document appertaining hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

(1) The term "acquire" or "acquisition" includes the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate therein, any corporation, or any other Person, the endowment, bequest, devise, condemnation, transfer, assignment, option to purchase, other contract, or other acquirement, or any combination thereof, of any properties pertaining to the Facilities, or an interest therein, or any other properties herein designated.

(2) "Acquisition Fund" means any (or any combination) of the special accounts to which the proceeds of securities, including without limitation the refunded bonds, and any other moneys appropriated to defray the cost of an Improvement Project may be credited.

(3) "Administration Expenses" means the expenses incurred in fixing and collecting the Fuel Taxes and the costs of administering and enforcing laws, rules and regulations pertaining thereto, including, without limitation, the deductions allowed by law to any dealer or user to cover his costs of collection of the taxes and of compliance with any law pertaining thereto, statute or ordinance, and the dealer's or user's handling losses occasioned by evaporation, spillage or other similar causes, not exceeding 2% of the amount thereby collected, the reasonable charges against the Issuer of the State acting by or through the Tax Commission or otherwise to reimburse the State for the cost to it of rendering its services in the performance by it of all func-

tions incident to the administration or operation of the Tax Ordinance, which charges have been initially fixed by contract between the Issuer and the State in the amount of 0.5% of the gross tax collected pursuant to the Tax Ordinance, but which are subject to renegotiation and reestablishment at a different rate or different amount, and such charges incident to the administration or operation of ch. 365 of NRS, not exceeding in the aggregate 1% of the amount collected from the State's tax imposed by NRS 365.180 and 365.190, to defray such administration and operation costs incurred by the State, also so including an allocable and pro rata share of the net proceeds of the tax levied by the State in NRS 365.180 and 365.190, needed to make the remittances and deposits required of the State annually by NRS 365.535, and also so including any such administration costs pertaining to any Fuel Taxes other than the taxes presently imposed by the Tax Ordinance and by such ch. 365 and now or hereafter subject to the pledge and lien to secure the payment of the 1976 bonds; and the term may include at the Issuer's option (except as limited by law), without limitation:

(a) Auditing, legal and other overhead expenses of the Issuer directly or indirectly related to the administration, operation and maintenance of the Fuel Taxes;

(b) Property, liability and other insurance and fidelity bond premiums pertaining to the Pledged Revenues or the Facilities, or both, or a reasonably allocated share of a premium of any blanket policy or bond pertaining to the Pledged Revenues or the Facilities, or both;

(c) The reasonable charges of any paying agent or any other depository bank pertaining to the Fuel Taxes or any securities payable from the Pledged Revenues;

(d) Any general taxes, assessments, excise taxes, or other charges which may be lawfully imposed on the Issuer or its income or operations pertaining to the Fuel Taxes;

(e) Ordinary and current rentals of equipment or other property;

(f) The costs of making any refunds of any Pledged Revenues lawfully due to others;

(g) Expenses in connection with the issuance of bonds or other securities evidencing any loan to the Issuer and payable from the Pledged Revenues;

(h) The expenses and compensation of any trustee or other fiduciary;

(i) Contractual services, professional services required by this Instrument, salaries, labor and the cost of materials and supplies used for current operation; and

(j) All other administrative, general and commercial expenses pertaining to the Fuel Taxes, but:

(i) Excluding any operation and maintenance expenses incurred in connection with the Facilities or other streets and highways in the County and not directly pertaining to the Fuel Taxes;

(ii) Excluding any allowance for depreciation or any amounts for capital replacements, renewals, major repairs and maintenance items (or any combination thereof);

(iii) Excluding any costs of the acquisition of any Facilities or any improvements thereto or any other costs pertaining to any other street or highway improvements, or any reserves therefor;

(iv) Excluding any reserves for operation, maintenance or repair of the Facilities or other streets and highways in the County;

(v) Excluding any allowance for the redemption of any bonds or other securities evidencing a loan, or the payment of any interest thereon, or any reserve therefor; and

(vi) Excluding liabilities incurred by the Issuer as the result of its negligence in the operation and maintenance of the Facilities or any other streets and highways in the County or any other ground of legal liability not based on contract, or any reserve therefor.

(4) "Administrator" means the county manager of Washoe County, Nevada, who is the chief executive officer of the County, or his successor in functions, if any.

(5) "Auditor" means the de jure or de facto county auditor of Washoe County, Nevada, or his successor in functions, if any.

(6) "Board" or "Governing Body" means the Board of County Commissioners of Washoe County, Nevada, or its successor in functions, if any.

(7) "Bond Act" means NRS 350.500 through 350.720, and all laws amendatory thereof, and is designated in § 350.500 thereof as the Local Government Securities Law.

(8) "Bond Fund" or "1976 Bond Fund" means the "Washoe County, Nevada, Highway Parity Revenue Bonds, Interest and Bond Retirement Fund," created in subsection A, § 401 hereof, and required to be accumulated and maintained in § 505 hereof, and other provisions herein supplemental thereto.

(9) "Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the 1976 bonds and any additional bonds or other securities payable from the Pledged Revenues, or such part of such securities as may be designated.

(10) "Bond Year" for the purposes of this Instrument means the 12 months commencing on the second day of July of any calendar year and ending on the first day of July of the next succeeding calendar year.

(11) The term "bonds" or "1976 bonds" means those issued hereunder and designated as the "Washoe County, Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds, Series September 1, 1976."

(12) "Chairman" means the de jure or de facto chairman of the Board, or his successor in functions, if any.

(13) "Clerk" means the de jure or de facto county clerk of Washoe County, Nevada, or his successor in functions, if any.

(14) The term "combined maximum annual principal and interest requirements" means the sum of the principal of and interest on the Outstanding "1976 bonds", as herein defined, and any other Outstanding designated securities payable from the Net Pledged Revenues, including any such

proposed parity securities in the computation of the Minimum Reserve under § 506 hereof and in the computation of an earnings test under § 703 hereof, to be paid during any one Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any 1976 bond last becomes due at maturity or on a Redemption Date on which any 1976 bond thereafter maturing is called for prior redemption, but excluding any reserve requirements to secure such payments unless otherwise expressly provided. Any such computation shall be made by an Independent Accountant unless otherwise expressly provided.

(15) The term "commercial bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, which has a capital and surplus of \$4,000,000.00 or more, and which is located within the United States; and such term includes, without limitation, any "trust bank" as herein defined.

(16) "Comparable Bond Year" means, in connection with any Fiscal Year, the Bond Year which commences in the Fiscal Year. For example, for the Fiscal Year commencing on the first day of July, 1977, the Comparable Bond Year commences on the second day of July, 1977, and ends on the first day of July, 1978.

(17) "County" or "Issuer" means the County of Washoe in the State of Nevada, and constituting a political subdivision thereof, or any successor municipal corporation, and where the context so indicates, either such term means the geographical area comprising the County of Washoe, in the State.

(18) "County Motor Fuel Tax Law" means the Project Act, as herein defined.

(19) The term "coupons" means those obligations evidencing interest on and pertaining to the 1976 bonds and any other securities payable from the Pledged Revenues, or such part of such securities as may be designated.

(20) "Department of Taxation" and "department" mean the Nevada Department of Taxation created by § 11, ch. 748, Statutes of Nevada 1975, headed by the Tax Commission and the successor in functions hereunder of the Tax Commission.

(21) "Direct Distributions" means the share of the proceeds of motor vehicle fuel taxes levied and collected pursuant to the Project Act and the Tax Ordinance and allocated thereunder to those cities and towns within the County, whose respective territories are not included wholly or in part in the Plan in aid of approved construction projects from the Highway Fund, in the proportion which the total assessed valuation of those cities and towns bears to the total assessed valuation of the entire County, pursuant to § 373.150, Project Act, which Direct Distributions the County is not now obligated to make as the Plan encompasses the entire County and the territory of each city or town in the County is included wholly in the Plan.

(22) The term "11-1-66 bond ordinance" means Ordinance No. 151, authorizing the issuance of the "1966 bonds," as herein defined, duly passed and adopted by the Board on the 3rd day of November, 1966, and designated in section 101 thereof by the short title "11-1-66 bond ordinance."

(23) "Escrow Account" or "Refunding Fund" means the special account designated as the "Washoe County, Nevada, Highway Revenue Refunding Bonds, Series September 1, 1976, Outstanding Bonds Refunding Fund," created in § 401B hereof, and required to be accumulated and maintained in the Escrow Bank under the Escrow Agreement pursuant to art. IV hereof, in accordance with the Proposal.

(24) "Escrow Agreement" means the contract designated as the "Washoe County, Nevada, Highway Revenue Refunding Bonds, 9-1-76 Escrow Agreement," between the County and the Escrow Bank, which contract is authorized to be executed by the appropriate officers of the Board designated in the contract by § 211 hereof and is designated in the preambles hereof.

(25) "Escrow Bank" means the "trust bank," as herein defined, known as the Security National Bank of Nevada, in the City of Reno, Nevada.

(26) The term "events of default" means the events stated in § 1003 hereof.

(27) "Facilities" means the properties comprising the street and highway system embraced by the Plan, as from time to time amended, consisting of all properties real, personal, mixed, or otherwise, now owned or hereafter acquired by the Issuer, the State, and any other political subdivision of the State (other than the Issuer), through purchase, construction,

or otherwise, and used in connection with the street and highways system within the Plan, and in any way pertaining thereto.

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

(29) "Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States. The specific designation "Original Federal Securities" means those Federal Securities constituting direct obligations of the United States, State and Local Government Series, to be purchased by the Issuer from the Federal Government, as designated in the Proposal.

(30) "Fiscal Year" for the purposes of this Instrument means the 12 months commencing on the first day of July of any calendar year and ending on the last day of June of the next succeeding calendar year.

(31) The term "5-1-69 Bond Ordinance" means Ordinance No. 167, authorizing the issuance of the "1969 bonds," as herein defined, duly proposed on the 22nd day of April, 1969, and duly passed and adopted by the Board on the 5th day of May, 1969, and designated in § 101 thereof by the short title "5-1-69 Bond Ordinance."

(32) The term "5-1-71 Bond Ordinance" means Ordinance No. 180, authorizing the issuance of the "1971(1) bonds," as herein defined, duly proposed and passed and adopted by the Board on the 20th day of May, 1971, and designated in section 101 thereof by the short title "5-1-71 Bond Ordinance."

(33) "Fuel Taxes" means the excise taxes collected for use by the Issuer in connection with the privilege of selling, using or distributing motor vehicle fuel in the County or the State, as the case may be, so long as the bonds issued hereunder remain Outstanding, the proceeds of which taxes now or hereafter are authorized to be pledged for the payment of the bonds, whether levied by the Issuer, the State, or otherwise, subject to the exempt sales and to the other exempt transactions provided by law, and subject to the credits and refunds authorized



by law and pertaining thereto except those defrayed as Administration Expenses; such taxes are not necessarily limited to any type or types of motor vehicle fuel in use when the bonds are issued; and, subject to such exempt sales and to such other exempt transactions, such taxes now consist:

(a) Of a tax levied by the Issuer by the Tax Ordinance pursuant to the Project Act of 2 cents per gallon on all motor vehicle fuel sold, distributed or used in the County as provided by the Tax Ordinance, except as therein otherwise provided, and

(b) Of an additional tax levied by the State in NRS 365.180 and 365.190 of one-half cent and one cent, respectively, per gallon on all motor vehicle fuel sold, distributed or used in the County, as well as other counties of the State, as provided in NRS 365.550 and 365.560, but

(c) Not of any portion of any such excise tax otherwise now levied by the State;

and such taxes may hereafter consist of any excise taxes pertaining to motor vehicle fuel of at least an equivalent value and pledged in lieu of such present taxes or of any such excise taxes of any value pledged in supplementation thereof.

(34) "Governing Body" means the Board.

(35) The term "gross income" or "Gross Pledged Revenues," means all income and revenues derived directly or indirectly by the Issuer from the Fuel Taxes, or any part thereof, whether resulting from excise taxes pertaining to motor vehicle fuel hereafter authorized to be pledged to the bonds, or otherwise, and includes all revenues received for use by the Issuer or any political corporation succeeding to the rights of the Issuer from the Fuel Taxes, but excluding:

(a) Any moneys received as grants, appropriations or gifts from the United States, the State, or other sources, the use of which is limited by the grantor or donor to the construction of capital improvements for the Issuer, and

(b) Any other moneys which are not authorized by statute now or hereafter adopted to be pledged to the payment of the bonds.

(36) The term "hereby," "herein," "hereinabove," "hereinafter," "hereinbefore," "hereof," "hereto," "hereunder," and any similar term refer to this Instrument and not solely to the particular portion thereof in which such word is used; "heretofore" means before the adoption of this Instrument; and "hereafter" means after the adoption of this Instrument.

(37) "Highway Commission" means the Regional Street and Highway Commission of the County, or the commission's successor in functions, if any.

(38) "Highway Fund" means the Regional Street and Highway Fund in the County Treasury of the Issuer, which fund was created by subsection C, § 12, Tax Ordinance, pursuant to § 373.110, Project Act, and to which fund are credited the proceeds of the Gross Pledged Revenues, except for certain Administration Expenses defrayed by other than the Issuer, except for amounts refunded to taxpayers, and except for such tax proceeds needed to make certain remittances and deposits, as further delineated in § 502 hereof.

(39) The term "holder," or any similar term, when used in connection with any coupons, any bonds, or any other designated securities, means the Person in possession and the apparent owner of the designated item if such obligation is registered to bearer or is not registered for payment, or the term means the registered owner of any bond (other than a 1976 bond) or other security which is registerable for payment, if any, if it at the time is registered for payment other than to bearer.

(40) The term "improve" or "improvement" includes the extension, widening, lengthening, betterment, alteration, reconstruction or other major improvement, or any combination thereof, or any properties pertaining to the Facilities, or an interest therein, or any other properties herein designated; but the term does not mean renovation, reconditioning patching, general maintenance or other minor repair.

(41) "Improvements" means the facilities constructed, installed and other acquired from time to time by any Improvement Project.

(42) "Improvement Project" means any street and highway construction, as delineated in the Plan and from time to time undertaken:

(a) Including, without limitation, the acquisition and improvement of any street, avenue, boulevard, alley, highway or other public right-of-way used for any vehicular traffic,

(b) Including, without limitation, a sidewalk designed primarily for use by pedestrians,

(c) Including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, cross-walks, sidewalks, pedestrian rights-of-way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all appurtenances and incidentals, or any combination thereof, and

(d) Including, without limitation, the acquisition and improvement of all types of property therefor.

(43) "Improvement Project Engineer" means any registered or licensed professional engineer, or firm of such engineers, as from time to time determined by the Governing Body:

(a) Who has a wide and favorable repute for skill and experience in the field of designing, preparing plans and specifications for, and supervising the construction of facilities like those comprising the Facilities;

(b) Who is entitled to practice and is practicing under the laws of the State; and

(c) Who is selected, retained and compensated by the Governing Body, in the name and on behalf of the Issuer, and who may be in the regular employ or control of the Issuer.

(44) "Independent Accountant" means any certified public accountant, or firm of such certified public accountants, as from time to time determined by the Governing Body, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Governing Body on behalf and in the name of the Issuer:

(a) Who is, in fact, independent and not under the domination of the Issuer,

(b) Who does not have any substantial interest, direct or indirect, with the Issuer, and

(c) Who is not connected with the Issuer as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the Issuer.

(45) "Instrument" means this ordinance, designated in § 101 hereof by the short title "9-1-76 Bond Ordinance; and the term "instrument of the Issuer," "instrument of the Governing Body," "amendatory instrument," "supplemental instrument," or any phrase of similar import means any resolution or ordinance adopted by the Governing Body on behalf of the Issuer.

(46) "Insured Bank" means a "commercial bank," as herein defined.

(47) "IRC" or "Tax Code" means the Federal Internal Revenue Code of 1954, as from time to time amended.

(48) "Issuer" means the County.

(49) "Minimum Bond Reserve" means the amount required to be deposited, accumulated and maintained in the Reserve Fund pursuant to § 506 hereof, and other provisions herein supplemental thereto.

(50) The term "net income" or "Net Pledged Revenues" means the Gross Pledged Revenues, after the deduction of the Administration Expenses and of any Direct Distributions and, in the case of the tax levied by the State in NRS 365.180 and 365.190, including, without limitation, the deduction by the State of an allocable and pro rata share of the proceeds of such tax for the remittances and deposits required by the provisions of NRS 365.535.

(51) "NRS" means Nevada Revised Statutes, as from time to time amended.

(52) The term "newspaper" means a newspaper printed in the English language, published at least once each calendar week.

(53) The term "9-1-76 Bond Ordinance" or this "Instrument" means this ordinance.

(54) The term "1966 Bond Fund" means the special account designated as the "Washoe County, Nevada, Highway Improvement Revenue Bonds, Series November 1, 1966, Interest and Bond Retirement Fund," heretofore created in subsection A, § 401, 11-1-66 Bond Ordinance.

(55) The term "1966 bonds" means those securities issued pursuant to the 11-1-66 Bond Ordinance, which securities are designated as the "Washoe County, Nevada,

Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series November 1, 1966," and are more specifically described in the preambles hereof.

(56) The term "1966 Reserve Fund" means the special account designated as the "Washoe County, Nevada, Highway Improvement Revenue Bonds, Series November 1, 1966, Reserve Fund," heretofore created in subsection B, § 401, 11-1-66 Bond Ordinance.

(57) The term "1969 Bond Fund" means the special account designated as the "Washoe County, Nevada, Highway Improvement Revenue Bonds, Series May 1, 1969, Interest and Bond Retirement Fund," heretofore created in subsection A, § 401, 5-1-69 Bond Ordinance.

(58) The term "1969 bonds" means those securities issued pursuant to the 5-1-69 Bond Ordinance, which securities are designated as the "Washoe County, Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series May 1, 1969," and are more specifically described in the preambles hereof.

(59) The term "1969 Reserve Fund" means the special account designated as the "Washoe County, Nevada Highway Improvement Revenue Bonds, Series May 1, 1969, Reserve Fund," heretofore created in subsection B, § 401, 5-1-69 Bond Ordinance.

(60) The term "1971(1) Bond Fund" means the capital account designated as the "Washoe County, Nevada, Highway Improvement Revenue Bonds, Series May 1, 1971, Interest and Bond Retirement Fund," heretofore created in subsection A, § 401, 5-1-71 Bond Ordinance.

(61) The term "1971(1) bonds" means those securities issued pursuant to the 5-1-71 Bond Ordinance, which securities are designated as the "Washoe County, Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series May 1, 1971," and are more specifically described in the preambles hereof.

(62) The term "1971(1) Reserve Fund" means the special account designated as the "Washoe County, Nevada, Highway Improvement Revenue Bonds, Series May 1, 1971, Reserve Fund," heretofore created and required to be accumulated and maintained in subsection B, § 401, 5-1-71 Bond Ordinance.

(63) The term "1971(2) Bond Fund" means the special account designated as the "Washoe County, Nevada, Highway Improvement Revenue Bonds, Series November 1, 1971, Interest and Bond Retirement Fund," heretofore created in subsection A, § 401, 11-1-71 Bond Ordinance.

(64) The term "1971(2) bonds" means those securities issued pursuant to the 11-1-71 Bond Ordinance, which securities are designated as the "Washoe County, Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series November 1, 1971," and are more specifically described in the preambles hereof.

(65) The term "1971(2) Reserve Fund" means the special account designated as the "Washoe County, Nevada, Highway Improvement Revenue Bonds, Series November 1, 1971, Reserve Fund," heretofore created and required to be accumulated and maintained in subsection B, § 401, 11-1-71 Bond Ordinance.

(66) The term "1976 Bond Fund" means the Bond Fund as herein defined.

(67) The term "1976 bonds" means the "bonds," as herein defined.

(68) The term "1976 Reserve Fund" means the Reserve Fund, as herein defined.

(69) "Outstanding" when used with reference to the bonds or any other designated securities and as of any particular date means all the bonds or any such other securities payable from the Pledged Revenues in any manner theretofore and thereupon being executed and delivered:

(a) Except any bond or other security canceled by the Issuer, by the Paying Agent, or otherwise on the Issuer's behalf, at or before such date;

(b) Except any bond or other security for the payment or the redemption of which cash at least equal to the principal amount of, any prior redemption premium due in connection with, and the interest on the bonds or other security to the date of maturity or any Redemption Date, shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in § 901 hereof; and

(c) Except any bond in lieu of or in substitution for which another bond shall have been executed and delivered pursuant to §§ 314, 315 or 1109 hereof, or otherwise.

(70) The term "parity bonds" or "parity securities" means bonds or securities payable from the Pledged Revenues on a parity with the 1976 bonds.

(71) "Paying Agent" means The First National Bank of Nevada, Reno, Nevada, or its successors in functions, if any.

(72) "Person" means a corporation, firm, other body corporate (including the Federal Government, the State, or any other body corporate and politic other than the County), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

(73) "Plan" means the "Regional Master Plan Study #1, as amended, Streets and Highways, a part of the Master Plan for Washoe County, Nevada," as from time to time amended and supplemented.

(74) "Pledged Revenues" means all or a portion of the proceeds of the gross Fuel Taxes, i.e., the Gross Pledged Revenues. The term indicates a source of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification.

(75) "The terms "Project" and "Refunding Project" mean the undertaking to refund, pay and discharge the outstanding bonds to be refunded as delineated in § 404 hereof, as supplemented by other provisions of art. IV, including, without limitation, § 406 hereof, and by other provisions of this Instrument.

(76) "Project Act" means the act originally adopted as ch. 470, Statutes of Nevada 1965, designated as NRS 373.010 through 373.200, as from time to time amended, and cited in NRS 373.010, as the County Motor Vehicle Fuel Tax Law.

(77) "Proposal" means the bid for the purchase of the "1976 bonds," as herein defined, and for the sale of the Original Federal Securities designated in Exhibit 1 of the Escrow Agreement for the Refunding Fund, submitted by the Purchaser and dated as of October 12, 1976 and accepted by authorization of the Governing Body on October 13, 1976, which proposal is more fully delineated in the preambles hereof and in the Escrow Agreement.

(78) "Purchaser" means jointly the investment banking houses designated as E. F. Hutton and Company, Inc., Denver, Colorado, and Refsnes, Ely, Beck & Co., a division of Rauscher Pierce Securities Corporation, Phoenix, Arizona.

(79) "Redemption Date" means a date fixed for the redemption prior to their respective maturities of any bonds or other designated securities payable from Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the Issuer.

(80) "Redemption Price" means, when used with respect to a bond or any other designated security payable from the Pledged Revenues, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such bond or other security on a Redemption Date in the manner contemplated in accordance with the security's terms.

(81) The terms "refunded bonds" and "outstanding bonds" mean the presently Outstanding 1966 bonds, 1969 bonds, 1971(1) bonds and 1971(2) bonds, as more specifically designated in the preambles hereof.

(82) "Refunding Project" means the "Project" as herein defined.

(83) "Reserve Fund" means the "Washoe County, Nevada, Highway Parity Revenue Bonds Reserve Fund," created in and required to be deposited and maintained in § 506 hereof, and other provisions herein supplemental thereto.

(84) "State" means the State of Nevada.

(85) The term "subordinate bonds" or "subordinate securities" means bonds or securities payable from the Pledged Revenues and junior to the lien thereon of the 1976 bonds.

(86) The term "superior bonds" or "superior securities" means bonds or securities payable from the Pledged Revenues superior to the lien thereon of the 1976 bonds.

(87) "Tax Code" means the IRC, as herein defined.

(88) "Tax Commission" means the Nevada Tax Commission, or the commission's successor in functions, if any.

(89) "Tax Ordinance" means Ordinance No. 132 (Bill No. 118) of the Issuer, as amended by Ordinance No. 132 (Bill No. 239), and as otherwise amended, as more specifically delineated in the preambles hereof.

(90) "Treasurer" means the de jure or de facto county treasurer of Washoe County, Nevada, or his successor in functions, if any.



(91) The term "trust bank" means a "commercial bank," as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

B. Construction. This Instrument, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(1) Words in the singular number include the plural, and words in the plural include the singular.

(2) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(3) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs of this Instrument so numbered or otherwise so designated.

(4) The titles applied to articles, sections, subsections, paragraphs and subparagraphs in this Instrument are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope of any provisions of this Instrument.

(5) Any securities held by the Issuer shall not be deemed outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for any other purpose provided herein.

Section 103. Successors. Whenever herein the Issuer or the Governing Body is named or is referred to, such provision shall be deemed to include any successors of the Issuer or the Governing Body, respectively, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the Issuer or the Governing Body contained herein shall bind and inure to the benefit of any such successors and shall bind and inure to the benefit of any officer, board, district, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Issuer or the Governing Body or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 104. Parties Interested Herein. Nothing herein expressed or implied is intended or shall be construed to confer any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof upon or to give such to any person, other than the Issuer, the Governing Body, and the holders of the 1976 bonds and the coupons thereunto pertaining, and such holders of any other securities payable from the Pledged Revenues and any coupons pertaining to such securities when reference is expressly made thereto. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Governing Body, the Paying Agent, the Escrow Bank and any holder of any 1976 bonds and the coupons thereunto pertaining and any holder of any such other security and any coupon pertaining thereto in the event of such a reference.

Section 105. Ratification. All action heretofore taken (not inconsistent with the provisions of this Instrument) by the Governing Body, the officers of the Issuer and otherwise directed:

- A. Refunding Project. Toward the Refunding Project.
- B. Bonds. Toward the sale and delivery of the Issuer's bonds for that purpose, and
- C. Proposal. Toward the acceptance of the Proposal, be, and the same hereby is, ratified, approved and confirmed.

Section 106. Transmittal of Instrument. The Clerk is hereby authorized, instructed and directed to transmit a certified copy of this Instrument:

- A. To the clerk of the City of Reno for its city council,
- B. To the clerk of the City of Sparks for its city council, and
- C. To the Treasurer.

Section 107. Instrument Irrepealable. After any of the 1976 bonds are issued, this Instrument shall constitute an irrevocable contract between the Issuer and the holder or holders of the bonds; and this Instrument (subject to the provisions of § 901 and art. XI hereof, respectively), if any bonds are in fact issued, shall be and shall remain irrepealable until the bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, as herein provided, except as herein otherwise expressly provided.

Section 108. Severability. If any section, subsection, paragraph, clause or other provision of this Instrument shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this Instrument.

Section 109. Repealer. Ordinance No. 332, duly adopted by the Governing Body on September 15, 1976, is hereby repealed in its entirety. All bylaws, orders, and other instruments, or parts thereof, inconsistent herewith are also hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, or other instrument, or part thereof, heretofore repealed.

Section 110. Emergency, Effective Date and Publication. The Governing Body has expressed in the preambles to this ordinance the existence of an emergency, and does hereby find and declare that such emergency does exist, and, consequently, final action shall be taken immediately, and this ordinance shall be adopted as if an emergency exists and shall be in effect from and after its publication as hereinafter provided, and after this ordinance is signed by the Chairman and attested and sealed by the Clerk, this ordinance shall be published by title only, together with the names of the commissioners voting for or against its passage, and with a statement that typewritten copies of such ordinance are available for inspection by all interested parties at the office of the Clerk, such publication to be made in the Nevada State Journal, a newspaper published and having general circulation in the County, at least once a week for a period of 2 weeks by 2 insertions, pursuant to NRS 244.100, and all laws thereunto enabling, such publication to be in substantially the following form:

(Form of Publication)

BILL NO. 503  
ORDINANCE NO. 335  
(of Washoe County, Nevada)

AN ORDINANCE DESIGNATED BY THE SHORT TITLE "9-1-76 BOND ORDINANCE"; AUTHORIZING THE ISSUANCE BY WASHOE COUNTY OF ITS NEGOTIABLE, COUPON, "WASHOE COUNTY, NEVADA, HIGHWAY REVENUE (MOTOR VEHICLE FUEL TAX) REFUNDING BONDS, SERIES SEPTEMBER 1, 1976," IN THE AGGREGATE PRINCIPAL AMOUNT OF \$13,340,000 FOR THE PURPOSE OF REFUNDING, PAYING, AND DISCHARGING OUTSTANDING WASHOE COUNTY, NEVADA, HIGHWAY IMPROVEMENT REVENUE (MOTOR VEHICLE FUEL TAX) BONDS; PROVIDING THEREFOR, INCLUDING, WITHOUT LIMITATION, THE PRIOR REDEMPTION OF A PORTION OF SUCH AND FOR THE FORM OF AND THE MANNER OF GIVING NOTICES OF SUCH PRIOR REDEMPTION AND OTHERWISE RELATING TO SUCH REFUNDING; PROVIDING FOR THE CREATION OF AN ESCROW AND A SPECIAL ESCROW ACCOUNT AND FOR THE EXECUTION OF AN ESCROW AGREEMENT PERTAINING THERETO, FOR THE PURCHASE OF FEDERAL SECURITIES WITH REFUNDING BOND PROCEEDS AND OTHER MONEYS, FOR THE DEPOSIT OF THE FEDERAL SECURITIES (OTHER THAN BOOK-ENTRIES SECURITIES), THE PROCEEDS OF FEDERAL SECURITIES, AND UNINVESTED MONEYS IN SUCH ESCROW, AND FOR THE TEMPORARY INVESTMENT AND POSSIBLY REINVESTMENT OF ESCROWED MONEYS IN SUCH FEDERAL SECURITIES AND FOR THE USE OF SUCH ESCROWED MONEYS; PROVIDING THE FORMS, TERMS, AND CONDITIONS OF THE REFUNDING BONDS, THE MANNER AND TERMS OF THEIR ISSUANCE, THE MANNER OF THEIR EXECUTION, THE METHOD OF THEIR PAYMENT, AND THE SECURITY THEREFOR, FOR THE USE OF THE BOND PROCEEDS, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF CERTAIN MOTOR VEHICLE FUEL TAXES; PLEDGING REVENUES DERIVED FROM THE LEVY AND COLLECTION OF SUCH EXCISE TAXES AND OTHER MONEYS TO THE PAYMENT OF THE

REFUNDING BONDS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM SUCH EXCISE TAXES AND OTHER PLEDGED REVENUES; PROVIDING OTHER COVENANTS, AGREEMENTS, AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING SUCH MOTOR VEHICLE FUEL TAXES, THE REFUNDING BONDS, THE OUTSTANDING BONDS TO BE REFUNDED, ADDITIONAL SECURITIES PAYABLE FROM PROCEEDS OF SUCH TAXES, OTHER PLEDGED REVENUES, AND OTHER MONEYS PERTAINING THERETO, THE ACCOUNTS AND FUNDS RELATING THERETO, SUCH ESCROW, AND THE ESCROW AGREEMENT; PROVIDING OTHER MATTERS RELATING TO THE FOREGOING MATTERS; RATIFYING ACTION HERETOFORE TAKEN AND PERTAINING TO SUCH MATTERS; BY DECLARING THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE, AND PAYMENT OF THE REFUNDING BONDS, PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

PUBLIC NOTICE IS HEREBY GIVEN that typewritten copies of the above-numbered and entitled ordinance are available for inspection by all interested parties at the office of the County Clerk of Washoe County, Nevada, at his office in the Washoe County Courthouse, Reno, Nevada; and that such ordinance was proposed by Commissioner Grow \_\_\_\_\_ on the 15th day of October, 1976, and was passed at the same regular meeting held on the 15th day of October, 1976, by the following vote of the Board of County Commissioners:

Those Voting Aye:	<u>Dick Scott</u>
	<u>Gerry Grow</u>
	<u>Ken L. Gaunt</u>
	<u>Dwight A. Nelson</u>
	<u>Robert F. Rusk</u>
Those Voting Nay:	<u>None</u>
	_____
	_____
Those Absent and Not Voting:	<u>None</u>
	_____
	_____

This ordinance shall be in full force and effect from and after the date of the second publication of such ordinance by its title only.

IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this ordinance to be published by title only.

DATED this 15th day of October, 1976,

/s/ Dick Scott  
Chairman  
Board of County Commissioners  
Washoe County, Nevada

(SEAL)

Attest: Alex Coon  
County Clerk

By: /s/ O. Schmidt  
Chief Deputy County Clerk

(End of Form of Publication)

ARTICLE II

GOVERNING BODY'S DETERMINATIONS,  
AUTHORITY FOR AND AUTHORIZATION  
OF PROJECT, NECESSITY OF PROJECT  
AND BONDS, PROJECT COST, AND  
OBLIGATION OF ISSUER

Section 201. Authority for this Instrument. This Instrument is adopted by virtue of the Project Act, the Bond Act and pursuant to their provisions; and the Issuer has ascertained and hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effectuate the purposes of the Issuer in accordance with the Project Act and the Bond Act.

Section 202. Necessity of Refunding Project and Bonds. It is necessary and for the best interests of the Issuer and the inhabitants thereof, that the Issuer effect the Refunding Project and defray the cost thereof in part by issuing the bonds therefor; and it is hereby so determined and declared.

Section 203. Authorization of Refunding Project. The Governing Body, on behalf of the Issuer, does hereby determine to refund the refunded bonds as hereinabove delineated; the Proposal is hereby formally accepted; and the Refunding Project is hereby authorized.

Section 204. Estimated Cost of Refunding Project. The cost of the Refunding Project is estimated not to exceed \$13,340,000, excluding any such cost defrayed or to be defrayed by any source other than the proceeds of the principal amount of the 1976 bonds.

Section 205. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the holders of any and all of the Outstanding 1976 bonds and the coupons appertaining thereto, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the bonds or coupons over any other thereof, except as otherwise expressly provided in or pursuant to this Instrument.

Section 206. Special Obligations. All of the 1976 bonds, as to all Bond Requirements, shall be payable and collectible solely out of the Net Pledged Revenues, which revenues are so pledged; the holder or holders thereof may not look to any general or other fund for the payment of such Bond Requirements, except the herein-designated special funds pledged therefor; the bonds

shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation and the bonds shall not be considered or held to be general obligations of the Issuer but shall constitute its special obligations.

Section 207. Character of Agreement. None of the covenants, agreements, representations, and warranties contained herein or in the bonds issued hereunder, in the absence of any breach thereof, shall ever impose or shall be construed as imposing any liability, obligation, or charge against the Issuer (except for the special funds pledged therefor) or its general credit, payable out of its general fund or out of any funds derived from taxation other than the Fuel Taxes.

Section 208. No Pledge of Property. The payment of the bonds is not secured by an encumbrance, mortgage or other pledge of property of the Issuer, except for its Pledged Revenues and any other moneys pledged for the payment of the bonds. No property of the Issuer, subject to such exception, shall be liable to be forfeited or taken in payment of the bonds.

Section 209. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the bonds or for any claim based thereon or otherwise upon this Instrument authorizing their issuance or other instrument pertaining thereto, against any individual member of the Governing Body or any officer or other agent of the Issuer, past, present or future, either directly or indirectly through the Governing Body or the Issuer, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the bonds and as a part of the consideration of their issuance specially waived and released.

Section 210. No Bond Election Nor Other Preliminaries. The 1976 bonds shall be issued without their being authorized at an election by any electors of the Issuer or without any other preliminaries being taken.

Section 211. Execution of Escrow Agreement. The appropriate officials of the Issuer as designated in the Escrow Agreement be, and they hereby are, authorized to execute the agreement on the behalf and in the name of the Issuer and so to enter into a contract with the Escrow Bank as provided in such agreement, upon its completion as to form.



(Section 212. Purchase of Federal Securities. The Issuer shall purchase from the Federal Government the Original Federal Securities necessary to establish the Escrow Account as provided in the Escrow Agreement and in accordance with the Proposal and this Instrument; provided that prior to the establishment of the Escrow Account other Federal Securities may be substituted for the Original Federal Securities as may be necessary to effect the Project if in the opinion of the Issuer's bond counsel such substitution can be made without impairing the validity or tax exemption of the 1976 bonds.

Section 213. Terms of Bond Sale. The Purchaser's offer to purchase the bonds as herein provided is hereby formally accepted; and the bonds shall be sold and delivered to the Purchaser, in accordance with the Proposal, bearing interest and otherwise upon the terms and conditions herein provided, for a price consisting of the principal amount of the bonds, accrued interest thereon from their date to the date of their delivery, and a premium of \$4,244.80. The Purchaser shall be required to make payment of the amount due for and to accept delivery of the bonds at some commercial bank in Reno, Nevada, or at the Purchaser's request and expense, at some commercial bank elsewhere in the United States. Payment of such purchase price at the time of the delivery of the bonds must be made in Federal Reserve Bank funds or other funds acceptable to the Issuer and to the commercial bank designated as the place of delivery for immediate and unconditional credit to the account of the Issuer, as directed by it, at a commercial bank or banks located in Reno, Nevada, so that the bond proceeds may be so deposited or invested in Federal Securities or both so deposited and so invested, as the Issuer may determine, simultaneously with the delivery of the bonds by the use of the proceeds thereof.

Section 214. Tender for Delivery. The Purchaser will not be required to accept delivery of any of the bonds, if all the bonds are not made ready and are not tendered by the Issuer for delivery before October 31, 1976; and if the bonds are not so tendered within such period of time, the contract to purchase the bonds from the Issuer by the Purchaser and to sell

the Federal Securities to the Issuer by the Purchaser shall be terminated upon the request of the Purchaser. The bonds shall be made available for delivery by the Issuer to the Purchaser as soon as reasonably possible hereafter; and the Issuer contemplates delivering them thereto on or about October 28, 1976. The Purchaser will be given 72 hours' notice of the time fixed by the Issuer for tendering the bonds for delivery. The legality of the bonds shall be approved by Messrs. Dawson, Nagel, Sherman & Howard, Denver, Colorado, whose unqualified, final, approving opinion, together with printed bonds on steel engraved borders, a certified transcript of legal proceedings, including therefor a certificate stating there is no litigation pending affecting the delivery of the bonds as of the date of their delivery, and other closing documents, shall be furnished to the Purchaser by the Issuer at the expense of the Purchaser.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION  
AND ISSUANCE OF BONDS

Section 301. Authorization of Bonds. The "Washoe County, Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds, Series September 1, 1976," in the aggregate principal amount of \$13,340,000, payable as to all Bond Requirements solely out of the Net Pledged Revenues, are hereby authorized to be issued, pursuant to the Project Act and the Bond Act; and the Issuer pledges irrevocably, but not necessarily exclusively, such revenues to the payment of the Bond Requirements of the bonds, the proceeds thereof to be used (except as herein otherwise expressly provided) solely to defray the cost of the Project.

Section 302. Bond Details. The bonds shall be issued payable to bearer, dated as of the first day of September, 1976, consisting of 2668 bonds in the denomination of \$5,000.00 each numbered consecutively in regular numerical order from 1 through 2668, bearing interest from their date until their respective maturities at the rates hereinafter designated, interest being evidenced until the respective bond maturities by one set of interest coupons payable to bearer, attached to the bonds, and payable on the first day of May, 1977, and semiannually thereafter on the first days of May and November in each year, and the bonds being numbered and maturing serially in regular numerical order on the first day of November in each of the designated amounts of principal and designated years, as follows:

<u>Bond Numbers</u> <u>(All Inclusive)</u>	<u>Interest Rates</u> <u>(Per Annum)</u>	<u>Principal</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
1 - 83	5.00%	\$ 415,000	1977
84 - 186	5.00%	515,000	1978
187 - 285	5.00%	495,000	1979
286 - 389	5.00%	520,000	1980
390 - 499	5.00%	550,000	1981
500 - 615	5.50%	580,000	1982
616 - 737	5.50%	610,000	1983
738 - 866	5.50%	645,000	1984
867 - 1002	5.50%	680,000	1985
1003 - 1146	5.75%	730,000	1986
1147 - 1299	5.75%	765,000	1987
1300 - 1461	5.75%	810,000	1988
1462 - 1633	6.00%	860,000	1989
1634 - 1815	6.00%	910,000	1990
1816 - 2009	6.25%	970,000	1991
2010 - 2215	6.25%	1,030,000	1992
2216 - 2435	6.25%	1,100,000	1993
2436 - 2668	6.25%	1,165,000	1994

the Bond Requirements of the 1976 bonds being payable in lawful money of the United States, upon presentation and surrender of the bonds and the annexed interest coupons as they severally become due, without deduction for exchange or collection charges, at the office of the Paying Agent. If any of the bonds shall not be paid upon its presentation at maturity, it shall continue to draw interest at the same coupon rate per annum until the principal thereof is paid in full.

Section 303. Prior Redemption Option. The bonds numbered 1 through 1146, maturing on and before the first day of November, 1986, shall not be subject to redemption prior to their respective maturities. The bonds numbered 1147 through 2668, maturing on and after the first day of November, 1987, shall be subject to redemption prior to their respective maturities, at the option of the Issuer, on and after the first day of November, 1986, in whole at any time, or in part in inverse numerical order on any interest payment date, at a price equal to the principal amount of each 1976 bond so redeemed, accrued interest thereon to the Redemption Date, and a premium computed in accordance with the following schedule:

1-1/2% of the principal amount of each bond so redeemed if redeemed on or before October 31, 1987;

1-1/4% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1988;

1% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1989;

3/4% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1990;

1/2% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1991;

1/4% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1992; and

No premium if redeemed thereafter.

Section 304. Notice of Prior Redemption. Notice of any prior redemption shall be given by the Treasurer in the name of the Issuer:

A. Publication. By publication of such notice at least once, not less than 30 days prior to the Redemption Date in each:

(1) A newspaper of general circulation in the City of Reno, Nevada, and

(2) The Daily Bond Buyer, New York, New York, or in a similar financial newspaper published therein, as the Governing Body may determine; and

B. Mail. By sending a copy of such notice by registered, first-class, postage prepaid mail, at least 30 days prior to the Redemption Date to the Paying Agent, to the Purchaser and to the Issuer's financial consultant, Burrows, Smith & Company of Nevada (herein the "Financial Consultant"), or to any successors thereof known to the Treasurer.

Such notice shall specify the number or numbers of the bonds to be so redeemed (if less than all are to be redeemed) and the date fixed for redemption; and such notice shall further state that on such Redemption Date there will become and will be due and payable upon each bond so to be redeemed at the office of the Paying Agent (designated by title), the applicable Redemption Price, and accrued interest on each bond so redeemed to the Redemption Date, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the bond or bonds so called for redemption shall become due and payable on the Redemption Date so designated; and upon presentation thereof at the office of the Paying Agent, together with the appurtenant coupons maturing subsequent to the Redemption Date, the Issuer will pay the bond or bonds so called for redemption. Any bonds redeemed prior to their respective maturities by call for prior redemption (or otherwise) shall not be reissued and shall be canceled the same as bonds redeemed at or after maturity.

Section 305. Negotiability. Title to any bond or to any coupon shall pass by delivery merely, as a negotiable instrument payable to bearer. Subject to the provisions expressly made or necessarily implied herein, the bonds and the coupons pertaining thereto shall be fully negotiable and shall have all the qualities of negotiable paper; and the holder or holders thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code--Investment Securities.

Section 306. Execution of Bonds. The bonds shall be executed as follows:

A. Filings with Secretary of State. Pursuant to § 350.638, Bond Act, and to the act cited as the Uniform Facsimile Signatures of Public Officials Act, designated as ch. 351 of NRS, and prior to the execution of any 1976 bonds, the Chairman, the Treasurer and the Clerk shall each file with the Secretary of State of the State of Nevada his manual signature certified by him under oath.

B. Manner of Execution. Each bond shall be signed and executed in the name of and on behalf of the Issuer with the engraved, imprinted, stamped or otherwise reproduced

facsimile of the signature of the Chairman, and shall be countersigned, manually subscribed and executed by the Treasurer; each bond shall be authenticated with the printed, engraved, stamped or otherwise placed thereon facsimile of the official seal of the Issuer; and each bond shall be signed, executed and attested with such a facsimile of the signature of the Clerk.

Section 307. Form and Execution of Coupons. The interest accruing to maturity on the bonds shall be evidenced by interest coupons thereto attached, payable to bearer, consecutively numbered from one upwards; and each coupon shall evidence a semiannual installment of interest, but the first coupon, designated No. 1, and attached to each bond shall evidence 8 months' interest and shall become due on May 1, 1977. Each coupon shall be authenticated by such a facsimile signature of the Treasurer as it appears on the bonds, which officer by the execution of the bonds and of a signature certificate pertaining thereto shall adopt as and for his signature the facsimile thereof appearing on the coupons. Before the delivery of any bond all coupons pertaining thereto then matured, if any, shall be cut off and canceled. The coupons when so executed and delivered as part of the bonds to which they pertain shall be the lawful obligations of the Issuer, according to their tenor, securing the payment of interest in the hands of all Persons to whom they may come.

Section 308. Use of Predecessor's Signature. The bonds and coupons bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the Issuer, notwithstanding that before the delivery thereof and the payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Each the Chairman, the Treasurer and the Clerk, at the time of the execution of the bonds and of a signature certificate pertaining thereto by the Chairman, the Treasurer and the Clerk, respectively, may adopt as and for his own facsimile signature the facsimile signature of his predecessor in office in the event that such facsimile signature appears upon any of the bonds or any of the coupons pertaining thereto.

Section 309. Incontestable Recital in Bonds. Pursuant to § 350.628, Bond Act, each bond shall recite that it is issued pursuant to the County Motor Fuel Tax Law and to the Local Government Securities Law, which recital shall be conclusive evidence of the validity of the bonds and the regularity of their issuance.

Section 310. State Tax Exemption. Pursuant to § 350.170, Bond Act, the bonds, their transfer, and the income therefrom shall

forever be and remain free and exempt from taxation by the State or any subdivision thereof.

Section 311. Bond Execution. The Chairman, The Treasurer and the Clerk are hereby authorized and directed to prepare and to execute the bonds as herein provided.

Section 312. Registration by Treasurer. Before any bonds are delivered, they shall be registered by the Treasurer in a book kept in his office for that purpose, pursuant to § 350.612, Bond Act. The register shall show:

- A. Principal. The principal amount of each of the bonds,
- B. Payment Dates. The time of payment of each of the bonds, and
- C. Interest Rates. The rate of interest which each of the bonds bears.

Section 313. Bond Delivery. After such registration by the Treasurer, he shall cause the bonds to be delivered to the Purchaser thereof, upon payment being made therefor on the terms of the sale of the bonds.

Section 314. Causes for Reissuance. If any outstanding bond or coupon shall be lost, apparently destroyed, or wrongfully taken, it may be reissued in the form and tenor of the lost, destroyed or taken bond or coupon as provided in § 104.8405 of the Uniform Commercial Code--Investment Securities, as from time to time amended, and all laws supplemental thereto.

Section 315. Other Reissuance. Nothing contained in section 314 hereof prohibits the Issuer from reissuing, pursuant to other provisions herein, in the Project Act or the Bond Act, or otherwise, upon such terms and conditions as the Governing Body may determine, any outstanding bond or coupon which shall not have become lost, apparently destroyed, or wrongfully taken.

Section 316. Bond and Coupon Form. Subject to the provisions of this Instrument, each bond and the coupons to be attached thereto shall be, respectively, in substantially the following form, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Instrument, or be consistent with this Instrument and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

UNITED STATES OF AMERICA  
STATE OF NEVADA  
WASHOE COUNTY  
HIGHWAY REVENUE (MOTOR VEHICLE FUEL TAX)  
REFUNDING BOND  
SERIES SEPTEMBER 1, 1976

No. \_\_\_\_\_ \$5,000.00

The County of Washoe, in the State of Nevada (herein the "Issuer" and the "State," respectively), for value received, hereby promises to pay to the bearer hereof solely from the special funds provided therefor, as hereinafter set forth, on the first day of November, 19\_\_, the principal sum of.

FIVE THOUSAND DOLLARS

and to pay solely from such special funds interest hereon from date until maturity at the rate of

\_\_\_\_\_ per centum (\_\_\_\_%)

per annum, payable on the first day of \_\_\_\_\_, 197\_, and semi-annually thereafter on the first days of May and November in each year, upon presentation and surrender of this bond and of the annexed coupons as they severally become due. If upon presentation at maturity payment of this bond is not made as herein provided, interest shall continue at the same rate per annum until the principal hereof is paid in full. Principal, any prior redemption premium due, and interest (herein collectively the "Bond Requirements") are payable in lawful money of the United States of America, without deduction for exchange or collection charges, at The First National Bank of Nevada, in Reno, Nevada (sometimes designated as the "Paying Agent").

The bonds of the series of which this is one (herein the "1976 bonds" and merely the "bonds") maturing on and before the first day of November, 1986, are not subject to redemption prior to their respective maturities. The bonds maturing on and after the first day of November, 1987, are subject to redemption prior to their respective maturities at the option of the Issuer, on and after the first day of November, 1986, in whole at any time, or in part in inverse numerical order on any interest payment date,



at a price equal to the principal amount of each bond so redeemed, accrued interest thereon to the redemption date, and a premium computed in accordance with the following schedule:

- 1-1/2% of the principal amount of each bond so redeemed if redeemed on or before October 31, 1987;
- 1-1/4% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1988;
- 1% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1989;
- 3/4% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1990;
- 1/2% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1991;
- 1/4% of the principal amount of each bond so redeemed if redeemed thereafter and on or before October 31, 1992; and

No premium if redeemed thereafter.

Redemption shall be made upon not less than thirty days' prior published and mailed notice in the manner and upon the conditions provided in the ordinance authorizing the issuance of the bonds and designated in section 101 thereof by the short title "9-1-76 Bond Ordinance" (herein the "Instrument"). A copy of the Instrument is on file for public inspection in the office of the Clerk of the Issuer in Reno, Nevada.

The bonds do not constitute a debt or an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be general obligations of the Issuer, and are payable and collectible solely out of the net income derived from certain excise taxes concerning motor vehicle fuel, now consisting of two cents per gallon on all motor vehicle fuel sold, distributed or used in and levied by the Issuer, and of an additional one and one-half cents per gallon on all motor vehicle fuel sold, distributed or used in and levied by the State and distributed in part to the Issuer (as well as the other counties of the State), subject to certain exceptions, the net income of which taxes (subject to certain exceptions) is so pledged; and the holder hereof may not look to any general or other fund for the payment of the Bond Requirements of this obligation except the special funds pledged therefor.

Payment of the Bond Requirements of the bonds shall be made solely from and as security for such payment there are irrevocably pledged, pursuant to the Instrument, two special accounts identified as the "Washoe County, Nevada, Highway Parity Revenue Bonds Interest and Bond Retirement Fund" and as the "Washoe County, Nevada, Highway Parity Revenue Bonds Reserve Fund," into which accounts the Issuer covenants to pay, respectively, from the revenues derived from such motor vehicle fuel taxes, including, without limitation, if hereafter authorized by law, any excise taxes pertaining to motor vehicle fuel of at least an equivalent value and pledged in lieu of such present taxes or any such excise taxes of any value pledged in supplementation of such present taxes (herein the "Gross Pledged Revenues"), after provision only for certain administration expenses, and except for certain unpledged portions of such net income of such motor vehicle fuel taxes (the remaining Pledged Revenues being herein sometimes designated as the "Net Pledged Revenues"), sums sufficient to pay when due the Bond Requirements of the bonds and to create and maintain for such purpose a reasonable and specified reserve.

The bonds are equitably and ratably secured by a lien on such Net Pledged Revenues (excluding such unpledged portions of such motor vehicle fuel taxes), and the 1976 bonds constitute an irrevocable and first lien (but not necessarily an exclusively first lien) upon such Net Pledged Revenues. Bonds and other securities, in addition to the 1976 bonds, subject to expressed conditions, may be issued and made payable from such Net Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon on a parity with the lien, of the 1976 bonds, in accordance with the provisions of the Instrument.

The Issuer covenants and agrees with the holder of this bond and with each and every person who may become the holder hereof that it will keep and will perform all of the covenants of the Instrument.

This bond is one of a series of 2668 bonds of like tenor, amount and date, except as to number, interest rate and maturity, authorized for the purpose of providing moneys, together with other available moneys, to refund, pay and discharge all of the Issuer's outstanding highway improvement revenue bonds.

Reference is made to the Instrument and any and all modifications and amendments thereof, to the Tax Ordinance therein designated, to the contract pertaining to such ordinance between the State and the Issuer, to the State's County Motor Vehicle Fuel Tax Law, now cited as sections 373.010 through 373.220, Nevada Revised Statutes, and all laws amendatory thereof (herein the "Project Act"),

to the Local Government Securities Law, now cited as sections 350.500 through 350.720, Nevada Revised Statutes, and all laws amendatory thereof (herein the "Bond Act"), to chapter 365, Nevada Revised Statutes, and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the 1976 bonds, the accounts, funds or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the holders of the 1976 bonds with respect thereto, the terms and conditions upon which the 1976 bonds are issued, and a statement of rights, duties, immunities and obligations of the Issuer, and other rights and remedies of the holders of the 1976 bonds.

The 1976 bonds are issued pursuant to the County Motor Vehicle Fuel Tax Law, i.e., the Project Act, and to the Local Government Securities Law, i.e., the Bond Act; pursuant to section 350.628, Bond Act, this recital is conclusive evidence of the validity of the bonds and the regularity of their issuance; and pursuant to section 350.710, Bond Act, the bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof.

To the extent and in the respects permitted by the Instrument, the provisions of the Instrument or any instrument amendatory thereof or supplemental thereto may be modified or amended by action of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Instrument. The pledge of revenues and other obligations of the Issuer under the Instrument may be discharged at or prior to the respective maturities or the prior redemption of the 1976 bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Instrument.

This bond is subject to the conditions, and every holder hereof by accepting the same agrees with the obligor and with every subsequent holder hereof that (a) the delivery of this bond to any transferee shall vest title in this bond and in the interest coupons attached hereto in such transferee to the same extent for all purposes as would the delivery under like circumstances of any negotiable instrument payable to bearer; (b) the obligor and any agent of the obligor may treat the bearer of this bond as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary; (c) the principal of and the interest on this bond shall be paid, and this bond and each of the coupons pertaining thereto are transferable, free from and without regard to any equities between the obligor and the original

or any intermediate holder hereof or any set-offs or cross-claims; and (d) the surrender to the obligor or to any agent of the obligor of this bond and of each of the coupons shall be a good discharge to the obligor for the same.

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the Issuer in the issuance of this bond, and that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, particularly under the terms and provisions of the Project Act, the Bond Act and all laws supplemental thereto, and with the Instrument and any instruments supplemental thereto; and this bond does not contravene any constitutional or statutory limitation.

No recourse shall be had for the payment of the Bond Requirements of this bond or for any claim based thereon or otherwise in respect to the Instrument, against any individual member of the board of county commissioners of the Issuer, or any officer or other agent of the Issuer, past, present or future, either directly or indirectly through such governing body or the Issuer, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, the Issuer has caused this bond to be signed and executed in its name and upon its behalf with the facsimile signature of the Chairman of its board of county commissioners and to be countersigned, manually subscribed and executed by its County Treasurer; has caused the facsimile of the seal of the Issuer to be affixed hereon; has caused this bond to be signed, executed and attested with the facsimile of the signature of its County Clerk; and has caused the coupons hereto annexed to be authenticated with the facsimile signature of its County Treasurer, who, by the execution hereof, does adopt as and for his own proper signature his facsimile signature appearing on each of such coupons, all as of the first day of September, 1976.

COUNTY OF WASHOE, NEVADA

By (For Facsimile Signature  
Chairman  
Board of County Commissioners

(FACSIMILE SEAL)

Countersigned:

(For Manual Signature)  
County Treasurer

Attest:

(For Facsimile Signature)  
County Clerk

(End of Form of Bond)

(Form of Coupon)

Coupon  
No. \_\_\_\_\_

\*\$ \_\_\_\_\_

May,  
On the first day of November, 19\_\_, unless the bond to which this coupon is attached, if callable, has been called for redemption on an earlier date, the County of Washoe, in the State of Nevada, upon surrender of this coupon, will pay to bearer in lawful money of the United States of America, without deduction for exchange or collection charges, at The First National Bank of Nevada, in Reno, Nevada, the amount herein stated, solely from and secured by a pledge of two special accounts created from a portion of the net revenues derived from certain excise taxes concerning motor vehicle fuel, and being the interest then due on its Washoe County, Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bond, Series September 1, 1976, and bearing

Bond  
No. \_\_\_\_\_

\_\_\_\_\_  
(For Facsimile Signature)  
County Treasurer

\* The first coupon attached to each bond, designated No. 1, and becoming due on May 1, 1977, shall evidence 8 months' interest. Each other coupon evidences 6 months' interest.

(End of Form of Coupon)

ARTICLE IV

USE OF BOND PROCEEDS  
REFUNDING OF OUTSTANDING BONDS,  
DISPOSITION OF FUNDS, PRIOR REDEMPTION  
OF OUTSTANDING BONDS, AND TERMINATION OF ACCOUNTS

Section 401. Disposition of Bond Proceeds. The proceeds of the 1976 bonds, upon the receipt thereof at any time or from time to time, shall be accounted for in the following manner and priority and are hereby pledged therefor:

A. Expenses and Bond Fund. First, from all moneys received as accrued interest on the bonds from their date to the date of their delivery, there shall be set aside in a special expense account the amount of \$120,900, to be applied by the Issuer to the payment of the administrative expenses of the Project as set forth in the Proposal. Any balance in such special account after all such expenses have been fully paid shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, Highway Parity Revenue Bonds Interest and Bond Retirement Fund" (herein the "1976 Bond Fund" and merely the "Bond Fund"), to apply on the payment of interest on the bonds as the same becomes due after their delivery, in accordance with § 505 hereof.

B. Refunding Fund. Second, from the proceeds derived from the sale of the bonds, including the premium and accrued interest thereon (except as herein otherwise expressly provided), there shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, Highway Revenue Refunding Bonds, Series September 1, 1976, Outstanding Bonds Refunding Fund" (herein the "Refunding Fund" and merely the "Escrow Account") such amounts so that the total deposits therein (including deposits therein pursuant to § 402 hereof) shall at least equal the cost of the purchase of the Original Federal Securities designated in the Escrow Agreement, plus the initial cash balance remaining uninvested, in accordance with the Proposal, and as more specifically set forth in the preambles of this Instrument. Any such proceeds of the bonds not so required for deposit to the Refunding Fund shall be credited to the Bond Fund.

Section 402. Additional Refunding Fund Deposits. From additional moneys of the Issuer available therefor in the 1966 Bond Fund, the 1969 Bond Fund, the 1971(1) Bond Fund and the 1971(2) Bond Fund the Treasurer shall deposit or cause to be deposited to the Refunding Fund the additional sum of \$848,346.

Section 403. Maintenance of Refunding Fund. The Refunding Fund shall be maintained by the Issuer in an amount at the time of the deposit and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities, to pay any reasonable charges of the Escrow Bank payable from such account in connection therewith (of which charges there are none) and to pay the Bond Requirements due in connection with the refunded bonds, both accrued and not accrued, as the same become due up to and including May 1, 1991, the Redemption Date on which all outstanding refunded bonds thereafter maturing shall be called for prior redemption.

Section 404. Use of Refunding Fund. Moneys shall be withdrawn by the Escrow Bank from the Refunding Fund in sufficient amounts and times to permit the payment without default of the Bond Requirements due in connection with the refunded bonds at their respective principal and interest payment dates, on and after November 1, 1976, and on and before May 1, 1991, subject to the provisions of §§ 406 through 412 hereof. Any moneys remaining in the Refunding Fund after provision shall have been made for the redemption in full of the refunded bonds shall be applied to any lawful purposes of the Issuer as the Governing Body may hereafter determine.

Section 405. Insufficiency of Refunding Fund. If for any reason the amount in the Refunding Fund shall at any time be insufficient for the purpose of §§ 403 and 404 hereof pertaining thereto, the Issuer shall forthwith from the first moneys available therefor deposit in such account such additional moneys as shall be necessary to permit the payment in full of the Bond Requirements due in connection with the refunded bonds as herein provided.

Section 406. Prior Redemption of Refunded Bonds. The refunded bonds of the issues designated respectively as the 1966 bonds, the 1969 bonds, the 1971(1) bonds and the 1971(2) bonds in the aggregate principal amount of \$6,580,000, respectively maturing after the Redemption Date herein designated and remaining outstanding and unpaid, shall be and hereby are ordered to be called for prior redemption and payment on



such Redemption Date, for a Redemption Price consisting of the principal amount of each bond so redeemed and a premium consisting of the percentage hereinafter designated for the bond of the principal amount of such bond, plus accrued interest on such principal amount to the Redemption Date, as follows:

<u>Bond Issue Called</u>	<u>Principal Called for Redemption</u>	<u>Prior Redemption Date</u>	<u>Nos. Redeemed (All Incl.)</u>	<u>Prior Redemption Premium</u>
1966	\$ 270,000	May 1, 1991	747-800	\$ 5,400
1969	1,125,000	May 1, 1991	576-800	11,250
1971(1)	1,960,000	Nov.1, 1985	159-550	98,000
1971(2)	3,225,000	May 1, 1991	436-1080	88,687.50

Section 407. Exercise of Option. The Governing Body has elected and does hereby declare its intent to exercise on the behalf and in the name of the Issuer its options to redeem on the designated Redemption Date all of the 1966 bonds, 1969 bonds, 1971(1) bonds and 1971(2) bonds then outstanding as hereinabove designated. The Issuer is hereby obligated so to exercise such options, each of which options shall be deemed to have been exercised when notice is duly given and completed as herein provided in §§ 408 through 410 hereof.

Section 408. Initial Notices of Prior Redemption. The Treasurer of the Issuer be and he hereby is authorized and directed to give forthwith, either before or after the delivery of the 1976 bonds, but in no event prior to the effective date of this Instrument, notice of prior redemption of all of the refunded bonds becoming due for payment on the Redemption Date designated for such bonds, then outstanding, and which thereafter become due, all in accordance with the applicable ordinance or ordinances.

Section 409. Manner of Giving Notice. The notice of prior redemption hereinabove required to be given forthwith for such refunded bonds to be called for prior redemption shall be given:

A. Publication. By publication at least once in each of the following:

(1) The Daily Bond Buyer, a financial newspaper published and of general circulation in the City of New York, New York; and

(2) A newspaper of general circulation in the City of Reno, Nevada;

and

B. Mail. By mailing by certified or registered, return receipt requested, first-class mail, postage prepaid, and deposited in the mails of the United States, addressed to each of the following:

(1) John Nuveen & Co., Incorporated  
209 South LaSalle Street  
Chicago, Illinois 60604

(2) Burrows, Smith & Co. of Nevada  
Suite 1003 Kearns Building  
Salt Lake City, Utah 84101

Section 410. Form of Notice. The notice of prior redemption so to be given forthwith shall be in substantially the following form with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances or be required or permitted by this Instrument:

(Form of Notice)

## NOTICE OF PRIOR REDEMPTION AND DEFEASANCE

OF

WASHOE COUNTY, NEVADA  
HIGHWAY IMPROVEMENT REVENUE BONDS

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of the County of Washoe (herein the "Issuer"), in the State of Nevada, has exercised the Issuer's option to redeem on the designated redemption dates \$6,580,000 total principal amount of bonds hereinafter designated of the issues designated, in the denomination of \$5,000 each, prior to their respective maturities at the designated paying agents, without any deduction for exchange or collection charges, in the designated aggregate principal amounts, for a redemption price consisting of the principal amount of each bond so redeemed and becoming due after such prior redemption date and a premium, if any, consisting of the percentage hereinafter designated of the principal amount of the bond so redeemed, plus accrued interest on such principal amount to such prior redemption date, as follows:

WASHOE COUNTY, NEVADAHIGHWAY IMPROVEMENT REVENUE(MOTOR VEHICLE FUEL TAX) BONDSSERIES NOVEMBER 1, 1966; DATED NOVEMBER 1, 1966PRIOR REDEMPTION DATE: MAY 1, 1991PRIOR REDEMPTION PREMIUM: 2.00%PAYING AGENT: WASHOE COUNTY TREASURER, RENO, NEVADA

Bonds numbered 747 through 800, in the aggregate principal amount of \$270,000, the bonds of which series were issued in the original aggregate principal amount of \$4,000,000;

and

WASHOE COUNTY, NEVADAHIGHWAY IMPROVEMENT REVENUE(MOTOR VEHICLE FUEL TAX) BONDSSERIES MAY 1, 1969; DATED MAY 1, 1969PRIOR REDEMPTION DATE: MAY 1, 1991PRIOR REDEMPTION PREMIUM: 1.00%PAYING AGENT: FIRST NATIONAL BANK OF NEVADA, RENO, NEVADA

Bonds numbered 576 through 800, in the aggregate principal amount of \$1,125,000, the bonds of which series were issued in the original aggregate principal amount of \$4,000,000;

and

WASHOE COUNTY, NEVADA  
HIGHWAY IMPROVEMENT REVENUE  
(MOTOR VEHICLE FUEL TAX) BONDS  
SERIES MAY 1, 1971; DATED MAY 1, 1971  
PRIOR REDEMPTION DATE: NOVEMBER 1, 1985  
PRIOR REDEMPTION PREMIUM: 5.00%  
PAYING AGENT: WASHOE COUNTY TREASURER, RENO, NEVADA

Bonds numbered 159 through 550 in the aggregate principal amount of \$1,960,000, the bonds of which series were issued in the original aggregate principal amount of \$2,750,000;

and

WASHOE COUNTY, NEVADA  
HIGHWAY IMPROVEMENT REVENUE  
(MOTOR VEHICLE FUEL TAX) BONDS  
SERIES NOVEMBER 1, 1971; DATED NOVEMBER 1, 1971  
PRIOR REDEMPTION DATE: MAY 1, 1991  
PRIOR REDEMPTION PREMIUM: 2.75%  
PAYING AGENT: WASHOE COUNTY TREASURER, RENO, NEVADA

Bonds numbered 436 through 1080, in the aggregate principal amount of \$3,225,000, the bonds of which series were issued in the aggregate principal amount of \$5,400,000.

On the prior redemption dates hereinabove designated, there will become due and payable in lawful money of the United States of America for each of the designated bonds of the above-designated series at the paying agent designated therefor, the principal amount of each such bond and the above-designated prior redemption premium, and accrued interest on the principal of each such bond to the designated redemption date: and from and after the redemption date interest thereon will cease to accrue. Each such bond maturing after its prior redemption date will be redeemed at the designated paying agent therefor on or after the prior redemption date upon the bond's presentation and surrender, accompanied by all

of its coupons for interest maturing after such date, by the payment of such principal and premium. Any coupons of each such bond for interest payable on or before the designated prior redemption date may be attached to such bond for the payment of accrued interest to such prior redemption date with the payment of such principal and prior redemption premium; or such coupons, if detached from any such bond by its holder, may be presented separately for payment in the usual course.

For the payment on the prior redemption date of the principal of and the stated prior redemption premium due in connection with the above-designated bonds, and for the payment of the interest on and the principal of those bonds of the above-designated issues becoming due at the respective maturities of interest and principal, on and prior to such prior redemption date, there have been deposited in escrow with the Security National Bank of Nevada, in Reno, Nevada, refunding bond proceeds and other moneys which have been invested in bills, notes, bonds, and similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States of America.

Pursuant to the defeasance provisions in the ordinances authorizing the issuance of the bonds of the 4 above-designated issues, and other provisions in such ordinances supplemental to such defeasance provisions, the bond contracts pertaining to the outstanding bonds of the 4 above-designated issues are terminated.

According to a report pertaining to such escrow of a firm of certified public accountants, the escrow, including the known minimum yield from such investments, is fully sufficient at the time of the deposit and at all times subsequently, to pay the principal of, any prior redemption premiums due in connection with, and the interest on the outstanding bonds of the 4 above-designated issues, as such bond requirements become due on and after November 1, 1976, and on and before May 1, 1991.

DATED at Reno, Nevada, this \_\_\_\_ day of \_\_\_\_\_, 1976.

WASHOE COUNTY, NEVADA

(SEAL)

By \_\_\_\_\_  
Treasurer

(End of Form of Notice)

Section 411. Supplemental Notice To Be Given.

The Treasurer be, and he hereby is authorized and directed to give again notice of prior redemption of the above-designated outstanding 1966 bonds, 1969 bonds, 1971(1) bonds and 1971(2) bonds to be called for prior redemption not more than 61 nor less than 31 days prior to the above-designated Redemption Date therefor, in strict compliance with the 11-1-76 Bond Ordinance, the 5-1-69 Bond Ordinance, the 5-1-71 Bond Ordinance and the 11-1-76 Bond Ordinance, with this Instrument, and with the statutes and decisions in force at the time of their issuance and at the time such notice is again so given. Each such notice of prior redemption shall be so given by the Treasurer.

A. Publication. By publication at least once in at least each of the following newspapers:

(1) A financial newspaper of general circulation published in the City of New York, New York, and

(2) A newspaper of general circulation in the City of Reno, Nevada;

and

B. Mail. By mailing by certified or registered, return receipt requested, first-class mail, postage prepaid, and deposited in the mails of the United States, addressed to at least the following:

(1) John Nuveen & Co., Incorporated  
209 South LaSalle Street  
Chicago, Illinois 60605

(2) Burrows, Smith & Co.  
Suite 1003 Kearns Building  
Salt Lake City, Utah 84101

(herein the "Financial Consultant")

Secton 412. Form of Notice. The notice of prior redemption so to be given shall be in substantially the following form with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances or be required or permitted by this Instrument:

NOTICE OF PRIOR REDEMPTION

OF

WASHOE COUNTY, NEVADA

HIGHWAY IMPROVEMENT REVENUE BONDS

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of the County of Washoe (herein the "Issuer"), in the State of Nevada, has exercised the Issuer's option to redeem on the designated redemption date the bonds hereinafter designated of the issue(s) so designated, prior to their respective maturities at the designated paying agent, without any deduction for exchange or collection charges, in the designated aggregate principal amount(s), for a redemption price consisting of the principal amount of each bond so redeemed and a premium consisting of the percentage hereinafter designated of the principal amount of the bond so redeemed, plus accrued interest on such principal amount to such prior redemption date, as follows:

\* WASHOE COUNTY, NEVADA

HIGHWAY IMPROVEMENT REVENUE

(MOTOR VEHICLE FUEL TAX) BONDS

SERIES NOVEMBER 1, 1966; DATED NOVEMBER 1, 1966

PRIOR REDEMPTION DATE: MAY 1, 1991

PRIOR REDEMPTION PREMIUM: 2.00%

PAYING AGENT: WASHOE COUNTY TREASURER, RENO, NEVADA

Bonds numbered 747 through 800, in the aggregate principal amount of \$270,000, the bonds of which series were issued in the original aggregate principal amount of \$4,000,000;

and

\* WASHOE COUNTY, NEVADA

HIGHWAY IMPROVEMENT REVENUE

(MOTOR VEHICLE FUEL TAX) BONDS

SERIES MAY 1, 1969; DATED MAY 1, 1969

PRIOR REDEMPTION DATE: MAY 1, 1991

PRIOR REDEMPTION PREMIUM: 1.00%

PAYING AGENT: FIRST NATIONAL BANK OF NEVADA, RENO, NEVADA

Bonds numbered 576 through 800, in the aggregate principal amount of \$1,125,000, the bonds of which series were issued in the original aggregate principal amount of \$4,000,000;

and

\*WASHOE COUNTY, NEVADA  
HIGHWAY IMPROVEMENT REVENUE  
(MOTOR VEHICLE FUEL TAX) BONDS  
SERIES MAY 1, 1971; DATED MAY 1, 1971  
PRIOR REDEMPTION DATE: NOVEMBER 1, 1985  
PRIOR REDEMPTION PREMIUM: 5.00%  
PAYING AGENT: WASHOE COUNTY TREASURER, RENO, NEVADA

Bonds numbered 159 through 550, in the aggregate principal amount of \$1,960,000, the bonds of which series were issued in the original aggregate principal amount of \$2,750,000;

and

\* WASHOE COUNTY, NEVADA  
HIGHWAY IMPROVEMENT REVENUE  
(MOTOR VEHICLE FUEL TAX) BONDS  
SERIES NOVEMBER 1, 1971; DATED NOVEMBER 1, 1971  
PRIOR REDEMPTION DATE: MAY 1, 1991  
PRIOR REDEMPTION PREMIUM: 2.75%  
PAYING AGENT: WASHOE COUNTY TREASURER, RENO, NEVADA

Bonds numbered 436 through 1080, in the aggregate principal amount of \$3,225,000, the bonds of which series were issued in the aggregate principal amount of \$5,400,000.

On the prior redemption date hereinabove designated, there will become due and payable in lawful money of the United States of America for each of the designated bonds at the paying agent designated therefor, the principal amount of each such bond and the above-designated prior redemption premium, and accrued interest on the principal of each such bond to the designated redemption date; and from and after the redemption date interest thereon will cease to accrue. Each such bond will be redeemed at the designated paying agent therefor on or after the prior redemption date upon the bond's presentation



and surrender, accompanied by all of its coupons for interest maturing after such date, by the payment of such principal and premium. Any coupons of each such bond for interest payable on or before the designated prior redemption date may be attached to such bond for the payment of accrued interest to such prior redemption date with the payment of such principal and prior redemption premium; or such coupons, if detached from any such bond by its holder, may be presented separately for payment in the usual course.

DATED at Reno, Nevada, this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

WASHOE COUNTY, NEVADA

By \_\_\_\_\_  
Treasurer

(SEAL)

(End of Form of Notice)

\* Only these designations should appear in the notice so published and mailed in the year 1991.

\*\* Only this designation should appear in the notice so published and mailed in the year 1985.

Section 413. Purchasers Not Responsible. The validity of the 1976 bonds shall not be dependent upon nor be affected by the validity or regularity of any proceedings relating to the completion of the Project. The Purchaser of the bonds, any associate thereof, and any subsequent holder of the bonds shall in no manner be responsible for the application or disposal by the Issuer or by any of the officers, agents and employees of the Issuer of the moneys derived from the sale of the bonds or of any other moneys herein designated.

Section 414. Lien on Bond Proceeds. Until the proceeds of the 1976 bonds are deposited with the Escrow Bank and are credited to the Refunding Fund, the bond proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the holders of the 1976 bonds from time to time as provided in § 501 hereof, but subject to the prior rights of the holders of the refunded bonds that the proceeds of the 1976 bonds are applied to refunding, paying and discharging the refunded bonds as the same become due as to all Bond Requirements (except as herein otherwise provided). After such deposit with the Escrow Bank, only the proceeds of the 1976 bonds credited to the Bond Fund pursuant to § 401A hereof, shall be subject to such a lien and pledge for such a purpose until such proceeds are expended to defray Bond Requirements of the 1976 bonds.

Section 415. Disposition of Funds. Upon the delivery of the 1976 bonds, the Treasurer shall make or cause to be made the disposition of moneys pertaining to the outstanding bonds payable from the Pledged Revenues, as hereinafter provided in this article.

Section 416. Funds & Accounts Terminated. Upon the transfer of moneys for the purposes, in the priority, and otherwise as hereinabove provided, including, without limitation, such transfers to the Refunding Fund of moneys other than bond proceeds as provided in § 402, the following special accounts (herein the "Standing Accounts") shall be terminated and any moneys accounted for therein shall be transferred to the designated accounts in the following priority and amounts, as follows:

<u>Standing Accounts Terminated</u>	<u>Accounts To Which Moneys Transferred</u>
A. <u>1966 Bond Fund.</u>	(a) <u>Highway Fund:</u> All.
B. <u>1969 Bond Fund.</u>	(b) <u>Highway Fund:</u> All.

<u>Standing Accounts</u> <u>Terminated</u>	<u>Accounts To Which</u> <u>Moneys Transferred</u>
C. <u>1971(1) Bond Fund.</u>	(c) <u>Highway Fund:</u> All.
D. <u>1971(2) Bond Fund.</u>	(d) <u>Highway Fund:</u> All.
E. <u>1966 Reserve Fund.</u>	(e) <u>Reserve Fund:</u> \$0.00
	<u>Acquisition</u> <u>Fund:</u> Balance
F. <u>1969 Reserve Fund.</u>	(f) <u>Reserve Fund:</u> \$ 20,000
	<u>Acquisition</u> <u>Fund:</u> Balance
G. <u>1971(1) Reserve Fund.</u>	(g) <u>Reserve Fund:</u> \$225,000
	<u>Acquisition</u> <u>Fund:</u> Balance
H. <u>1971(2) Reserve Fund.</u>	(h) <u>Reserve Fund:</u> \$455,000
	<u>Acquisition</u> <u>Fund:</u> Balance

ARTICLE VADMINISTRATION OF AND  
ACCOUNTING FOR  
PLEDGED REVENUES

Section 501. Pledge Securing Bonds. Subject only to the right of the Issuer to cause amounts to be withdrawn therefrom and paid on account of Administration Expenses, to make the Direct Distributions, and to pay the cost of the Project as provided herein, the Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any account under this article of this Instrument and under § 401 hereof, except as otherwise provided in § 414 hereof, are hereby pledged to secure the payment of the Bond Requirements of the 1976 bonds; and this pledge shall be valid and binding from and after the date of the first delivery of any 1976 bonds, and the moneys, as received by the Issuer and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Issuer, except for any Outstanding parity securities hereafter authorized, the liens of which on the Pledged Revenues are on a parity with the lien thereon of the 1976 bonds; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Section 502. Highway Fund Deposits. So long as any of the 1976 bonds shall be Outstanding, as to any Bond Requirements, the entire Gross Pledged Revenues, except for such amounts withheld by dealers, users and the Tax Commission or department to reimburse themselves (excluding the Tax Commission and department) for handling losses occasioned by evaporation, spillage and other similar causes, and to reimburse themselves (including the Tax Commission and department) for the costs of their respective services in the performance by them of all functions incident to the administration of the Fuel Taxes, and constituting Administration Expenses, pursuant to the Project Act, to ch. 365 of NRS, to the Tax Ordinance, and to the contract pertaining thereto between the Issuer and the State acting by and through the Tax Commission or department, except for amounts refunded to taxpayers as provided in such statutes, ordinance and contract, and except for an allocable and pro rata

share of the net proceeds of the tax levied by the State in NRS 365.180 and 365.190 needed to make the remittances and deposits required by the State by NRS 365.535, shall continue to be set aside upon the receipt of such revenues by the Issuer and credited to the Highway Fund.

Section 503. Administration of Highway Fund. So long as any of the bonds hereby authorized shall be Outstanding, as to any Bond Requirements, the following payments shall be made from the Highway Fund, as provided herein in §§ 504 through 511.

Section 504. First Charges. Firstly, as a first charge on the Highway Fund, there shall continue to be withdrawn from time to time from the Highway Fund sufficient moneys to pay any Administration Expenses not withheld by dealers, users and the Tax Commission and department or otherwise defrayed by other than the Issuer as permitted in § 502 hereof. Nothing herein permits the payment of any Administration Expenses with any proceeds of the tax levied by the State in NRS 365.180 and 365.190, or otherwise, nor requires the withdrawal from the Highway Fund of any moneys allocated for the payment of Administration Expenses until obligations pertaining thereto have accrued and become due, and any such moneys so allocated may be retained in the Highway Fund pending withdrawals for the payment of such obligations. Any such withdrawals becoming surplus and remaining at the end of the Fiscal Year and not needed for Administration Expenses shall be transferred back to the Highway Fund and shall be used for the purposes thereof, as herein provided.

Section 505. Bond Fund Payments. Secondly, and subject to the aforesaid provisions, from any moneys remaining in the Highway Fund, i.e., from the Net Pledged Revenues, except as provided in §§ 507 and 508 hereof, there shall be credited to the 1976 Bond Fund, created in subsection A of § 401 hereof, the following:

A. Interest. Monthly, commencing, on the first day of the month immediately succeeding the delivery of any of the 1976 bonds and any parity securities hereafter authorized, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor

from whatever source, including, without limitation, the moneys, if any, provided in subsection A, § 401 hereof, to pay the next maturing installment of interest on the 1976 bonds and any parity securities then Outstanding, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary to pay the next maturing installment of interest on the 1976 bonds and any parity securities then Outstanding, except to the extent any other moneys are available therefor.

B. Principal. Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the 1976 bonds and any parity securities hereafter authorized, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of the 1976 bonds and any parity securities then outstanding, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary to pay the next maturing installment of principal of the 1976 bonds and any parity securities then Outstanding, except to the extent any other moneys are available therefor.

Except as provided in §§ 507, 508 and 901 hereof, the moneys credited to the 1976 Bond Fund shall be used to pay the Bond Requirements of the 1976 bonds and any parity securities then Outstanding, as such Bond Requirements become due.

Section 506. Reserve Fund Payments. Thirdly, but concurrently with the payments into the Bond Fund required by § 505 hereof, except as provided in §§ 507 and 508 hereof, and in addition to the moneys required by § 416 hereof to be credited to the special account hereby created and to be known as the "Washoe County, Nevada, Highway Parity Bonds Reserve Fund" (herein the "1976 Reserve Fund" and merely the "Reserve Fund"), from any moneys remaining in the Highway Fund there shall be credited to the Reserve Fund, monthly, commencing on the first day of November, 1976, and on the first day of the month next succeeding each date on which any parity securities hereafter authorized are delivered or on which the moneys accounted for in the Reserve Fund for any other reason are less than the

combined maximum annual principal and interest requirements pertaining to the 1976 bonds and any parity securities then Outstanding (herein the "Minimum Bond Reserve"), such amounts in substantially equal monthly payments on the first day of each month to accumulate or reaccumulate the Minimum Bond Reserve by not more than 60 such monthly payments. The Minimum Bond Reserve shall be accumulated and, if necessary, reaccumulated from time to time, in the Reserve Fund from Net Pledged Revenues, except to the extent other moneys are credited to the Reserve Fund, and maintained as a continuing reserve to be used, except as hereinafter provided in §§ 507, 508, 606 and 901 hereof, only to prevent deficiencies in the payment of the Bond Requirements of the 1976 bonds and any parity securities Outstanding from time to time from the failure to deposit into the Bond Fund sufficient moneys to pay such Bond Requirements as the same accrue and become due. No payment need be made into the Reserve Fund at any time so long as the moneys therein equal not less than the Minimum Bond Reserve.

Section 507. Termination of Deposits. No payment need be made into the 1976 Bond Fund or the 1976 Reserve Fund, or into both such accounts, if the amount in the Bond Fund and the amount in the Reserve Fund total a sum at least equal to the entire amount of the 1976 bonds and any parity securities then Outstanding, as to all Bond Requirements, to their respective maturities or to any Redemption Date or Redemption Dates on which the Issuer shall have exercised or shall have obligated itself to exercise its option to redeem prior to their respective maturities any 1976 bonds and any parity securities then Outstanding and thereafter maturing, and both accrued and not accrued, except for any such Bond Requirements to be paid with moneys, Federal Securities and bank deposits (or any combination thereof) accounted for in any other account or accounts for such purpose, in which case moneys in those two accounts in an amount, except for any known interest or other gain to accrue from any investment of moneys in Federal Securities or bank deposit pursuant to art. VI hereof from the time of any such investment or deposit to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond

Requirements, shall be used together with any such gain from such investments and deposits solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Pledged Revenues or otherwise pertaining to the Facilities may be used in any lawful manner determined by the Governing Body.

Section 508. Defraying Delinquencies. If at any time the Issuer shall for any reason fail to pay into the Bond Fund the full amount above stipulated from the Net Pledged Revenues, then an amount shall be paid into the Bond Fund at such time from the Reserve Fund equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. The money so used shall be replaced as provided in § 506 hereof in the Reserve Fund from the first Net Pledged Revenues thereafter received and not required to be otherwise applied by §§ 504, 505, 506 and 509 hereof, but excluding any payments required for any subordinate securities as permitted by § 509 hereof. The moneys in the Bond Fund and in the Reserve Fund shall be used solely and only for the purpose of paying the Bond Requirements of the 1976 bonds and any parity securities hereafter authorized and from time to time Outstanding; but any moneys at any time in excess of the Minimum Bond Reserve in the Reserve Fund, including, without limitation, any such excess resulting from investment gain as provided in § 606 hereof, may be withdrawn therefrom, and transferred from time to time to the Bond Fund, and used as herein provided for the redemption of the 1976 bonds and any parity securities then Outstanding as they become due at maturity, on any Redemption Date, or as they otherwise are made available for payment by purchase in the open market, or otherwise; and also any moneys in the Bond Fund and in the Reserve Fund in excess of the Bond Requirements, both accrued and not accrued, to the respective maturities or designated Redemption Date of the Outstanding 1976 bonds and any such parity securities may be used as hereinabove provided in § 507 hereof.

Section 509. Payment of Additional Securities. Fourthly, and subject to the provisions hereinabove in this article, but subsequent to the payments required by §§ 505 and 506 hereof, as provided in art. VII hereof, any moneys remaining in the Highway Fund may be used by the Issuer for the payment of Bond Requirements of additional subordinate bonds or other additional subordinate securities payable from the Pledged Revenues and hereafter authorized to be issued in accordance with art. VII and any other provisions herein supplemental thereto,



including reasonable reserves for such subordinate securities, as the same accrue; but the lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities shall be subordinate to the lien and pledge of the 1976 bonds and any parity securities as herein provided. (Any additional parity bonds or other additional parity securities shall be payable from the Bond Fund and the Reserve Fund pursuant to §§ 505 through 508 hereof).

Section 510. Use of Remaining Revenues. After the payments hereinabove required to be made by §§ 504 through 509 are made, any remaining Net Pledged Revenues in the Highway Fund may be used at the end of any Fiscal Year or whenever in any Fiscal Year there shall have been credited to the Bond Fund and to the Reserve Fund all amounts required to be deposited in those special accounts for all of that Fiscal Year, both accrued and thereafter becoming due in the balance of the Fiscal Year, as hereinabove provided in this article, for any one or any combination of lawful purposes, as the Governing Body may from time to time determine, including, without limitation,

A. State Tax of 1/2¢. The use of the proceeds received by the Issuer pursuant to NRS 365.550 (or such part thereof as may remain after there are made the payments hereinabove required to be made in the preceding sections of this article) of the tax of one-half cent (1/2¢) per gallon levied by the State on motor vehicle fuel by NRS 365.180, for any one or combination of purposes (other than the payment of securities issued pursuant to the Project Act or any law supplemental thereto) permitted by NRS 365.550, as from time to time amended, and by all laws supplemental thereto; and

B. State Tax of 1¢. The apportionment by the Issuer of the proceeds received thereby pursuant to NRS 365.560 (or such part thereof as may remain after there are made the payments hereinabove required to be made in the preceding sections of this article) between the Issuer and the unincorporated towns and the incorporated cities therein pursuant to NRS 365.560 from the tax of one cent (1¢) per gallon levied by the State in NRS 365.190, as allocated by the State to the Issuer and received by it, and the use of the part remaining to the Issuer after such allocation for any one or combination of purposes (other than the payment of securities issued pursuant to the Project Act or any law supplemental thereto) permitted by subsection 3, NRS 365.560, as from time to time amended, and by all laws supplemental thereto.

For the purpose of accounting for such remaining revenues to meet the requirements of NRS 365.550 and 365.560, there shall be deemed to have been used in any Fiscal Year from the moneys accounted for in the Highway Fund to meet the requirements provided above as to the use of the Net Pledged Revenues in the preceding sections of this article, the proceeds of the taxes levied by the State in NRS 365.180 and 365.190, only to the extent that the proceeds of the Fuel Taxes levied by the Issuer are insufficient for that purpose. If the proceeds of such State taxes are so used in any Fiscal Year, the proceeds of the State tax designated above in subsection A of this section and the proceeds of the State tax designated above in subsection B of this section shall respectively be reduced to the extent of such use for such Fiscal Year on a pro rata basis related to the amount received in the Fiscal Year by the Issuer from each such State tax, prior to the use of any such tax proceeds pursuant to subsections A and B of this section as moneys become available therefor.

ARTICLE VI

## GENERAL ADMINISTRATION

Section 601. Administration of Accounts. The special accounts designated in arts. IV and V hereof, except the Refunding Fund and except any account terminated pursuant to this Instrument, shall be administered as provided in this article.

Section 602. Places and Times of Deposits. Each of such special accounts shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor, and the moneys accounted for in such special book accounts shall be deposited in one bank account or more in an Insured Bank or Insured Banks as determined and designated by the Governing Body (except as otherwise expressly stated herein). Nothing herein prevents the commingling of moneys accounted for in any 2 or more book accounts pertaining to the Pledged Revenues or to such fund and any other funds of the Issuer (each of which funds consists of a self-balancing group of accounts and constitutes an independent fiscal and accounting entity) in any bank account or any investment in Federal Securities hereunder. Each such bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on or before the next preceding secular day. Notwithstanding any other provision herein to the contrary, moneys shall be deposited with the Paying Agent at least 5 days prior to each interest payment date herein designated sufficient to pay the Bond Requirements then becoming due on the Outstanding 1976 bonds and any other Outstanding securities.

Section 603. Investment of Moneys. Any moneys in any such account, and not needed for immediate use, may be invested or reinvested by the Treasurer:

A. Bank Deposits. By deposit in one or more Insured Banks, as hereinafter provided in § 608 hereof, and

B. Federal Securities. In Federal Securities which:

(1) Optional Redemption. Either shall be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder or

(2) Scheduled Maturities. Shall mature not later than 5 days prior to the date or respective dates on which the proceeds are to be expended as estimated by the Treasurer upon each date of such investment or reinvestment,

but Federal Securities in the Reserve Fund shall so be subject to redemption at the holder's option at face value or shall mature at least 5 days prior to the last maturity date of the Outstanding 1976 bonds or any other Outstanding securities but in no event exceeding 10 years from the date of the investment or reinvestment. For the purpose of any such investment or reinvestment, Federal Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole or such obligation.

Section 604. Scheduling Disbursements. Before the Treasurer invests or reinvests any moneys accounted for in the Acquisition Fund, the Improvement Project Engineer shall furnish to the Treasurer a certificate setting forth a schedule of the amount and times when funds are estimated by the Improvement Project Engineer to be needed to pay the cost of any Improvement Project. The Treasurer may conclusively rely upon the estimates contained in such certificate or any addendum thereto, and shall have no liability or responsibility for any loss on any investment or reinvestment made or changed in accordance with any such certificate or any addendum thereto.

Section 605. Required and Permissive Investments. The Treasurer shall have no obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceeds \$5,000.00 and at least \$5,000.00 therein will not be needed for a period of not less than 60 days. In such event the Treasurer shall invest or reinvest in Federal Securities not less than substantially all the amount which will not be needed during such

60-day period, except for any moneys on deposit in an interest bearing account in an Insured Bank, regardless whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to §§ 603 and 608 hereof. The Treasurer may invest or reinvest any moneys on hand at any time as provided in § 603 hereof even though he is not obligated to do so.

Section 606. Accounting for Investments. The Federal Securities so purchased as an investment or reinvestment of moneys in any such account shall be deemed at all times to be a part of the account and held in trust therefor. Except as herein otherwise provided, any interest accruing thereon and any other gain realized therefrom, as well as any interest and other gain from the deposit of moneys in an Insured Bank pursuant to §§ 603 and 608 hereof, shall be credited to the account, and any loss resulting from such investment or reinvestment in Federal Securities or in a bank shall be charged to the account; but any gain from investments or reinvestments of moneys in the Reserve Fund in excess of the Minimum Bond Reserve (as well as any such excess resulting from other than any investments or reinvestments) may be withdrawn from the Reserve Fund and transferred and credited from time to time to the Bond Fund pursuant to § 508 hereof. No loss or profit in any account on any investments or reinvestments in Federal Securities or any certificates of deposit shall be deemed to take place as a result of fluctuations in the market quotations of the investments, reinvestments or certificates prior to the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided, Federal Securities and certificates of deposit shall be valued at the cost thereof (including any amount paid as accrued interest at the time of the purchase of the obligation) and other bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the Issuer until such gain is realized by the presentation of matured coupons for payment, or otherwise. The expenses of purchase, safekeeping, sale and all other expenses incident to any investment or reinvestment of moneys pursuant to this article shall be accounted for as Administration Expenses, as permitted by subsection A, § 504 hereof.

Section 607. Redemption or Sale of Investment Securities. The Treasurer shall present for redemption or sale on the prevailing market at the best price obtainable any Federal Securities and certificates of deposit so purchased as an investment or reinvestment of moneys in the account whenever it shall be necessary so to do in order to provide moneys to meet any withdrawal, payment or transfer from such account. The Treasurer shall not be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Instrument. The Treasurer shall promptly notify the Administrator and the Governing Body of any gain or loss in any account.

Section 608. Character of Funds. The moneys in any such account shall consist of lawful money of the United States or Federal Securities, or both such money and such securities. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of an Insured Bank pursuant to § 602 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 609. Accelerated Payments. Nothing contained in art. V hereof prevents the accumulation in any such account of any monetary requirements at a faster rate than the rate or minimum rate, as the case may be, provided in art. V; but no payment shall be so accelerated if such acceleration shall cause the Governing Body to default in the payment of any obligation of the Issuer pertaining to the Pledged Revenues. Nothing herein contained requires in connection with the Pledged Revenues received in any Fiscal Year the accumulation in any fund or account for the payment in the Comparable Bond Year of Bond Requirements due in connection with any series of bonds or other securities payable from the Pledged Revenues and heretofore, herein or hereafter authorized, in excess of such Bond Requirements due in such Comparable Bond Year, or of any reserves required to be accumulated and maintained therefor, and of any existing deficiencies, and payable from such fund or account, as the case may be, except as may be otherwise provided herein.

Section 610. Payment of Securities Requirements. The moneys credited to any fund or account designated in art. V hereof for the payment of the Bond Requirements due in connection with any series of bonds or other securities payable from the

Pledged Revenues and heretofore, herein or hereafter authorized shall be used, without requisition, voucher, warrant or further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements payable from such fund or account as such securities become due, upon the respective Redemption Dates, if any, on which the Issuer is obligated to pay such securities, or upon the respective maturity dates of such securities, as provided therefor herein or otherwise, except to the extent any other moneys are available therefor, including, without limitation, moneys accounted for in the Bond Fund.

Section 611. Payment of Redemption Premiums. Notwithstanding any other provision herein, this Instrument requires the accumulation in any account designated in article V hereof for the payment of any series of bonds or other securities payable from the Pledged Revenues of amounts sufficient to pay not only the principal thereof and interest thereon but also the prior redemption premiums due in connection therewith, as the same become due, whenever the Issuer shall have exercised or shall have obligated itself to exercise a prior redemption option pertaining thereto, except to the extent provision is otherwise made therefor, if any prior redemption premiums are due in connection therewith. In such event moneys shall be deposited in such account in due season for the payment of all such Bond Requirements without default as the same become due.

ARTICLE VII  
SECURITIES LIENS AND  
ADDITIONAL SECURITIES

Section 701. First Lien Bonds. The 1976 bonds authorized herein, subject to the payment of the Administration Expenses, constitute an irrevocable and first lien (but not necessarily an exclusively first lien) upon the Gross Pledged Revenues.

Section 702. Equality of Bonds. The 1976 bonds and any parity securities hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a line on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of the bonds and any other such securities, it being the intention of the Governing Body that there shall be no priority among the 1976 bonds and any such parity securities regardless of the fact that they may be actually issued and delivered at different times.

Section 703. Issuance of Parity Securities. Nothing herein, subject to the limitations stated in §§ 712, 713 and 714 hereof, prevents the issuance by the Issuer of additional bonds or other additional securities payable from the Net Pledged Revenues and constituting a lien thereon on a parity with, but not prior nor superior to, the lien thereon of the 1976 bonds, nor to prevent the issuance of bonds or other securities refunding all or a part of the 1976 bonds, except as provided in §§ 708 through 714 hereof; but before any such additional parity bonds or other additional parity securities are authorized or actually issued (excluding any parity refunding bonds or other parity refunding securities other than any securities refunding subordinate bonds or other subordinate securities, as permitted in § 711 hereof):

A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities as provided in § 713 hereof, the Issuer shall not be in default in making any payments required by art. V hereof.

B. Historic Earnings Test. The Net Pledged Revenues derived in the Fiscal Year immediately preceding the date



of the issuance of such additional parity securities shall have been at least sufficient to pay an amount equal to 150% of the combined maximum annual principal and interest requirements to be paid during any one Bond Year ending on or before the first day of November, 1994, of the Outstanding 1976 bonds and any other outstanding parity securities of the Issuer and the bonds or other securities proposed to be issued (excluding any reserves therefor), except as hereinafter otherwise expressly provided.

C. Adjustment of Revenues. If any Fuel Tax constituting supplemental Pledged Revenues has not accrued and been payable for the full Fiscal Year immediately preceding the date of the issuance of any such additional parity securities, any amount of Net Pledged Revenues which was actually collected for the designated Fiscal Year may be increased to an amount which it is estimated would have been collected if such Fuel Tax had accrued and been payable for the full Fiscal Year designated based upon the known collections of Net Pledged Revenues preceding such adjustment.

D. Reduction of Annual Requirements. The respective annual Bond Requirements of the Outstanding 1976 bonds and the Outstanding parity securities, if any (including as such a requirement the amount of any prior redemption premiums due on any prior redemption date as of which the Issuer shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of securities for payment then), shall be reduced to the extent such Bond Requirements are scheduled to be paid each of the respective Bond Years with moneys held in trust or in escrow for that purpose by any Insured Bank located within or without the State and exercising trust powers, including the known minimum yield from any investment in Federal Securities.

Section 704. Certification of Revenues. A written certification or written opinion by an Independent Accountant, based upon estimates thereby as provided in subsection C, § 703 hereof, that such annual revenues, when adjusted as hereinabove provided in subsections C and D, § 703 hereof, are sufficient to pay such amounts, as provided in subsection B, § 703 hereof, shall be conclusively presumed to be accurate in determining the right of the Issuer to authorize, issue, sell and deliver additional bonds or other additional securities on a parity with the 1976 bonds.

Section 705. Subordinate Securities Permitted. Nothing herein contained, subject to the limitations stated in §§ 712, 713

and 714 hereof, prevents the Issuer from issuing additional bonds or other additional securities payable from the Net Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the 1976 bonds.

Section 706. Superior Securities Prohibited. Nothing herein contained permits the Issuer to issue additional bonds or other additional securities payable from the Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the 1976 bonds.

Section 707. Use of Proceeds. The proceeds of any additional bonds or other additional securities (other than any funding or refunding securities) payable from the Pledged Revenues shall be used only for bettering, enlarging, extending and otherwise improving the Facilities (or any combination thereof).

Section 708. Issuance of Refunding Securities. At any time after the 1976 bonds, or any part thereof, are issued and remain Outstanding, if the Governing Body shall find it desirable to refund any Outstanding bonds or other Outstanding securities payable from and constituting a lien upon any Pledged Revenues, such bonds or other securities, or any part thereof, may be refunded only if the bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the Issuer's option upon proper call, unless the holder or holders of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided in §§ 706 and 709 through 714 hereof).

Section 709. Partial Refundings. The refunding bonds or other refunding securities so issued shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there are any; and the holder or holders of such refunding securities shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of the unrefunded securities of the same issue partially refunded by the refunding securities.

Section 710. Limitations Upon Refundings. Any refunding bonds or other refunding securities payable from any Pledged Revenues shall be issued with such details as

the Governing Body may by instrument provide, subject to the provisions of §§ 712, 713 and 714 hereof, and subject to the inclusion of any such rights and privileges designated in § 709 hereof, but without any impairment of any contractual obligation imposed upon the Issuer by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues (including, without limitation, the 1976 bonds).

Section 711. Protection of Securities Not Refunded.  
If only a part of the Outstanding bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the holder or holders of the unrefunded portion of such securities:

A. Requirements Not Increased. Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by such refunding securities and by the Outstanding securities not refunded on and prior to the last maturity date or last Redemption Date, if any, whichever is later, if any, of such unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

B. Subordinate Lien. Unless the lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

C. Default and Earnings Test. Unless the refunding bonds or other refunding securities are issued in compliance with § 703 hereof (including subsections A through D thereof) and § 704 hereof.

Section 712. Payment Dates of Additional Securities.  
Any additional parity or subordinate bonds or other additional parity or subordinate securities (including, without limitation, any funding or refunding securities) issued in compliance with the terms hereof shall bear interest payable semiannually on the first days of November and May in each year, but the first interest payment date may be for interest accruing for any period not in excess in the aggregate of one year; and such additional

securities shall mature on the first day of November in the years designated by the Governing Body during the term of the additional bonds or other additional securities.

Section 713. Supplemental Instrument. Additional bonds or other additional securities payable from the Pledged Revenues shall be issued only after authorization thereof by a supplemental instrument of the Governing Body stating the purpose or purposes of the issuance of such additional securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, principal amount, maturity or maturities, designation and numbers thereof, the maximum rate or the rate or rates of interest to be borne thereby, any prior redemption privileges of the Issuer with respect thereto and other provisions thereof in accordance with this Instrument. All additional securities shall bear such date, shall bear such numbers and series designation, letters or symbols prefixed to their numbers distinguishing them from each other security, shall be payable at such place or places, may be subject to redemption prior to maturity on such terms and conditions, and shall bear interest at such rate or at such different or varying rates per annum, as may be fixed by instrument or other document of the Governing Body.

ARTICLE VIII

## MISCELLANEOUS PROTECTIVE COVENANTS

Section 801. General. The Issuer hereby particularly covenants and agrees with the holders of the bonds and coupons pertaining thereto and makes provisions which shall be a part of its contract with such holders to the effect and with the purpose set forth in the following provisions and sections of this article.

Section 802. Performance of Duties. The Issuer, acting by and through the Governing Body or otherwise, shall faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues and the Facilities required by the Constitution and laws of the State and the various instruments of the Issuer, including, without limitation, the proper segregation of the proceeds of the 1976 bonds and the Pledged Revenues and their application to the respective accounts provided from time to time therefor.

Section 803. Contractual Obligations. The Issuer shall perform all contractual obligations undertaken by it under the contract to purchase the bonds with the Purchaser and any other agreements relating to the bonds, the Pledged Revenues, the Project, the Escrow Account or the Facilities, or any combination thereof, with any other Persons.

Section 804. Further Assurances. At any and all times the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver, and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Pledged Revenues, and other moneys and accounts hereby pledged or assigned, or intended so to be, or which the Issuer may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Instrument and to comply with the Project Act and the Bond Act and any instrument of the Issuer supplemental thereto, including, without limitation, this Instrument. The Issuer, acting by and through the Governing Body, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every holder of any bond hereunder against all claims and demands of all Persons whomsoever.

Section 805. Conditions Precedent. Upon the date of issuance of any 1976 bonds, all conditions, acts and things re-

quired by the Federal or State Constitution or Federal or State statutes, including, without limitation, the Project Act, the Bond Act, or this Instrument, to exist, to have happened, and to have been performed precedent to or in the issuance of the bonds shall exist, have happened, and have been performed; and the bonds, together with all other obligations of the Issuer, shall not contravene any debt or other limitation prescribed by the State Constitution or statutes.

Section 806. Rules, Regulations and Other Details.

The Issuer, acting by and through the Governing Body, shall establish and enforce reasonable rules and regulations governing the Fuel Taxes. All compensation, salaries, fees and other charges paid by it in connection with the Fuel Taxes shall be reasonable. The Issuer shall observe and perform all of the terms and conditions contained in the Project Act and the Bond Act and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Fuel Taxes or to the Issuer.

Section 807. Payment of Governmental Charges.

The Issuer shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Fuel Taxes, or upon any portion of the Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the Fuel Taxes; and the Issuer shall not create or suffer to be created any lien or charge upon the Net Pledged Revenues, except the pledge and lien created by this Instrument for the payment of the Bond Requirements due of the 1976 bonds, and except as herein otherwise permitted. The Issuer shall pay or cause to be discharged or will make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Facilities, or any part thereof, or the Pledged Revenues; but nothing in this section contained shall require the Issuer to pay or to cause to be discharged or to make provision for any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 808. Protection of Security. The Issuer, the officers, agents and employees of the Issuer, and the Governing

Body shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the securities payable from the Net Pledged Revenues according to the terms of such securities. No contract shall be entered into nor any other action taken by which the rights of any holder of any bond or any other security payable from the Net Pledged Revenues might be impaired or diminished.

Section 809. Accumulation of Interest Claims. In order to prevent any accumulation of coupons or claims for interest after maturity, the Issuer shall not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest on any of the 1976 bonds or any other securities payable from the Net Pledged Revenues; and the Issuer shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such coupons or other claims for interest. If the time for the payment of such coupons or of any other such installment of interest is extended in contravention of the foregoing provisions, such coupon or installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Instrument, except upon the prior payment in full of the principal of all bonds and any such other securities then Outstanding and of all matured interest on such securities the payment of which has not been extended.

Section 810. Prompt Payment of Bonds. The Issuer shall promptly pay the Bond Requirements of every 1976 bond issue hereunder and secured hereby at the place, on the dates, and in the manner specified herein and in the bonds and in the coupons thereto pertaining according to the true intent and meaning hereof.

Section 811. Use of Bond and Reserve Funds. The Bond Fund and the Reserve Fund shall be used solely and only and the moneys credited to such accounts are hereby pledged for the purpose of paying the Bond Requirements of the 1976 bonds and any parity securities hereafter authorized, except for those moneys in the Bond Fund and in the Reserve Fund as are in excess of such Bond Requirements, both accrued and not accrued, to their respective maturities or any other due dates, subject to the provisions concerning surplus moneys in §§ 507, 508, 606 and 901 hereof, and except for those moneys in the Reserve Fund in excess of the Minimum Bond Reserve, as hereinabove provided.

Section 812. Additional Securities. The Issuer shall not hereafter issue any bonds or other securities payable from the Net Pledged Revenues and having a lien on a parity with the 1976 bonds so long as any 1976 bonds are Outstanding, unless such

additional securities are also issued in conformance with the provisions of arts. V and VII hereof.

Section 813. Other Liens. Other than as provided by this Instrument, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

Section 814. Corporate Existence. The Issuer shall maintain its corporate identity and existence so long as any of the bonds issued hereunder remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the Issuer and is obligated by law to levy and collect or cause to be levied and collected the Fuel Taxes herein provided without adversely and materially affecting at any time the privileges and rights of any holder of any Outstanding bond or other Outstanding security payable from any Pledged Revenues.

Section 815. Fidelity Bonds. Each official of the Issuer or other person having custody of any Pledged Revenues or of any other moneys pertaining thereto, including, without limitation, bond proceeds, or responsible for the handling of such moneys, shall be bonded at all times in an amount of at least \$500,000.00, which bond shall be conditioned upon the proper application of such funds (but need not necessarily be limited thereto). The costs of each such bond or a reasonably allocated share of the costs of any such blanket bond may be considered as Administration Expenses.

Section 816. Maintenance of Fuel Taxes. While the bonds or any of them remain Outstanding and unpaid, the Issuer shall cause Fuel Taxes to be levied and collected in amounts of not less than three and one-half cents (3-1/2¢) per gallon on all motor vehicle fuel sold, distributed or used in the County as provided in this Instrument, in the Tax Ordinance, in the Project Act, and in ch. 365 of NRS, except as otherwise provided in this Instrument, such ordinance and such acts, including, without limitation, provisions therein for any deductions and any refunds not constituting Administration Expenses, and so including provisions in this Instrument, such ordinance and such acts pertaining to exempt sales and other exempt transactions, or in amounts derived from any other excise taxes pertaining to motor vehicle fuel of at least an equivalent value and pledged in lieu of such present taxes, regardless of whether now or hereafter fixed and imposed.

Section 817. Collection of Fuel Taxes. The Issuer shall cause all proceeds of the Fuel Taxes to be collected as soon as



reasonable, shall prescribe and enforce rules and regulations for the payment thereof, and shall provide methods of collection, by the Tax Commission, the Department of Taxation, or otherwise, and penalties, to the end that the Net Pledged Revenues shall be adequate to meet the requirements hereof. So long as any 1976 bonds remain Outstanding, the Governing Body on the behalf and in the name of the Issuer shall not exercise any option granted pursuant to subsection 3, NRS 365.190, or otherwise, to decline to accept the tax levied by the State in NRS 365.190 of one cent (1¢) per gallon on motor vehicle fuel sold, distributed or used in the Issuer; and during the period the 1976 bonds remain Outstanding the Governing Body shall not adopt any resolution or other instrument declining to accept such tax, wholly or in part.

Section 818. Records. So long as any of the bonds and any other securities payable from the Net Pledged Revenues remain Outstanding, proper books of record and account will be kept by the Issuer, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Fuel Taxes upon their receipt by the Issuer from the State or otherwise. Such books shall include (but not necessarily be limited to) monthly or quarterly records showing:

A. Gross. The Gross Pledged Revenues, to the extent of their receipt by the Issuer,

B. Classification. The revenues received from the Fuel Taxes by classes of customers, to the extent it is practicable to show such information,

C. Expenses. A detailed statement of the Administration Expenses, both the amounts retained by the Tax Commission or department any any other such expenses, to the extent reflected by the books and other records of the Issuer, including, without limitation, reports received from the State,

D. Securities Payments. A detailed statement of amounts credited to accounts and funds for the payment of bonds and any other securities payable from the Net Pledged Revenues, and reserves therefor, including, without limitation, the Bond Fund and the Reserve Fund, and

E. Other Withdrawals. The amounts of any other withdrawals from the proceeds of the Fuel Taxes to the extent reflected by reports from the State to the Issuer and by other records of the Issuer.

All requisitions, requests, certificates, opinions and other documents received by any individual on behalf of the Issuer in connection with the Fuel Taxes under the provisions of this Instrument shall be retained in the Issuer's official records.

Section 819. Rights Concerning Records. Any holder of any of the bonds or any other securities payable from the Net Pledged Revenues or any duly authorized agent or agents of such holder, the Purchaser, or the Financial Consultant shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating thereto, concerning the Pledged Revenues, and to make copies of such records, accounts and data.

Section 820. Audits Required. The Issuer shall within 90 days following the close of each Fiscal Year, commencing with the Fiscal Year ending on the last day of June, 1976, order an audit for the Fiscal Year of such books and accounts to be made forthwith by an Independent Accountant, and shall order an audit report showing the receipts and disbursements for each account of the Issuer pertaining to the Pledged Revenues, and such audit report shall be available for inspection by the Purchaser, the Financial Consultant, or any holder of any of the securities payable from the Net Pledged Revenues. Nothing herein requires an audit of any books and accounts of the Tax Commission, or department.

Section 821. Contents of Audit Reports. The audit report pertaining to each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

A. Statement. A statement in detail of the income and expenditures concerning the Fuel Taxes for the audit period, including, without limitation, a statement of Gross Pledged Revenues (at least to the extent of their receipt by the Issuer) and of the Net Pledged Revenues;

B. Balance Sheet. A balance sheet as of the end of such Fiscal Year, including, without limitation, the amounts on hand, both cash and investments, in each of the funds or accounts created by the various instruments and other proceedings authorizing the issuance of Outstanding bonds and any other Outstanding securities payable from the Net Pledged Revenues;

C. Accountant's Comment. The accountant's comment regarding the Issuer's methods of operation and accounting practice and the manner in which the Issuer has carried out the requirements of this Instrument and any other instrument and other proceedings authorizing the issuance of Outstanding bonds or other Outstanding securities payable from the Net Pledged Revenues, as the accountant deems appropriate; and

D. Recapitulation. A recapitulation of each account created by the various instruments and any other proceedings authorizing the issuance of Outstanding bonds and any other Outstanding securities payable from the Net Pledged Revenues, into which account are put moneys derived from the Fuel Taxes, derived from any sale of Federal Securities, and derived from any sale of such Outstanding bonds and any other such Outstanding securities of the Issuer, such analysis to show the balance in such account at the beginning of the audit period, the deposits and withdrawals during such period, and the balance at the end of such period.

Section 822. Distribution of Audit Reports. The Issuer agrees to furnish by first-class mail, postage prepaid, forthwith, and in any event within 90 days from the time each audit report is filed with the Issuer, a copy of such report to the holder of any of the Outstanding bonds or any other Outstanding securities payable from the Net Pledged Revenues at his request, and without request to each:

A. Purchaser. The Purchaser, or any successor thereof known to the Treasurer,

B. Consultant. The Financial Consultant, or any successor thereof known to the Treasurer, and

C. Others. Any other Person designated in any instrument or other proceedings pertaining to any Outstanding securities payable from the Net Pledged Revenues other than the 1976 bonds,

after each such audit report has been prepared; a copy of each such report shall be kept on file in the records of the Issuer for public inspection; and any such holder or other recipient of such report shall have the right to discuss with the Independent Accountant or with the individual making the audit and report the contents thereof and to ask for such additional information as he may reasonably require.

Section 823. Completion of Project. The Issuer, with the proceeds derived from the sale of the 1976 bonds and other available moneys, shall proceed to cause the Project to be completed without delay to the best of the Issuer's ability and with due diligence, as herein provided.

Section 824. Arbitrage Bond Investments Prohibited. The Issuer hereby further covenants for the benefit of each holder of the 1976 bonds that:

A. Character of Investments. Sums credited to the various accounts pertaining to the Facilities, the Project or the 1976 bonds shall not be invested in such a manner as to result in the loss of exemption from federal income taxation of interest on any such bonds or on any governmental obligations subsequently issued by the Issuer;

B. Use of Bond Proceeds. The Issuer shall make no use of the proceeds of the 1976 bonds (or any unexpended proceeds of the refunded bonds, including without limitation any such proceeds required herein to be transferred to the Acquisition Fund or the Reserve Fund) which, if such use had been reasonably expected on the date of issue of the bonds, would have caused them or the governmental obligations of any subsequent issue to be "arbitrage bonds" under the U.S. Internal Revenue Code of 1954, as amended (herein the "IRC") and the applicable regulations thereunder promulgated by the Internal Revenue Service; and the Issuer and its officers, employees and other agents shall take appropriate action so that on the basis of the facts, estimates and circumstances in existence on the date of issue of the 1976 bonds it is reasonably expected that the proceeds of the 1976 bonds (and any unexpended proceeds of the refunded bonds, including with limitation any such proceeds required herein to be transferred to the Acquisition Fund or the Reserve Fund) shall be used in a manner that shall not cause the bonds nor the governmental obligations of any subsequent issue to be taxable "arbitrage bonds" under § 103(d), IRC, and the applicable income tax regulations thereunder;

C. Prohibited Investments. Such sums constituting in the aggregate a major portion or more of the proceeds of the 1976 bonds shall not be invested directly or indirectly in taxable obligations so as to produce a yield which is materially higher than the yield of the bonds and which results in the bonds or the governmental obligations of any subsequent issue constituting taxable "arbitrage bonds" within the meaning of § 103(d), IRC, and of

the applicable income tax regulations thereunder, except for any such investments permitted by the "special rules" pertaining to "temporary periods" and to "reasonably required reserve or replacement funds" and except as may be otherwise permitted by law;

D. Effect of Covenant. The covenant in this section imposes an obligation on the Issuer to comply with the requirements of § 103(d), IRC, and such income tax regulations; but

E. Permissible Investments. Such sums may be otherwise invested if and when such act and regulations permit the investment to be made in the manner made without causing the bonds or the governmental obligations of any subsequent issue to become taxable "arbitrage bonds."

Section 825. Bonds Are Not IDB's. The Issuer hereby also covenants for the benefit of each holder of any 1976 bonds that neither they nor the refunded bonds are or were obligations:

A. Trade or Business Test. Which are or were issued as part of an issue all or a major portion of the proceeds of which are or were to be used directly or indirectly in any trade or business carried on by any Person not an exempt Person, and

B. Security Interest Test. The payment of the principal of or interest on which (under the terms of such obligations or any underlying arrangement) is or was, in whole or in major part, (i) secured by any interest in property used or to be used in a trade or business or in payments in respect of such property, or (ii) to be derived from payments in respect of property, or borrowed money, used or to be used in a trade or business,

as such provisions are used in § 103(c), IRC, and in the applicable income tax regulations thereunder. Thus the bonds are not "industrial development bonds" within the meaning of § 103(c), IRC, and the applicable income tax regulations thereunder.

ARTICLE IX

## MISCELLANEOUS

Section 901. Defeasance. When all Bond Requirements of the 1976 bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the bonds shall no longer be deemed to be Outstanding within the meaning of this Instrument. There shall be deemed to be such due payment when the Issuer has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities which are direct obligations of, or the principal and interest of which securities are unconditionally and fully guaranteed by, the United States, and in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the 1976 bonds, as the same become due to the final maturities of the bonds or upon any Redemption Date as of which the Issuer shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of bonds for payment then. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule.

Section 902. Delegated Powers. The officers of the Issuer be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Instrument, including, without limitation:

A. Printing Bonds. The printing of the bonds, including, without limitation, the printing on each bond of a certified true copy of bond counsel's approving opinion;

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

- (1) The signing of the bonds,

(2) The tenure and identity of the officials of the Issuer,

(3) The exemption of interest on the bonds from federal income taxation,

(4) The delivery of the bonds and the receipt of the bond purchase price, and

(5) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof;

C. Information. The assembly and dissemination of financial and other information concerning the Issuer and the bonds; and

D. Bond Sale. The sale and issuance of the bonds pursuant to the provisions of this Instrument.

Section 903. Statute of Limitations. No action or suit based upon any bond, coupon or other obligation of the Issuer shall be commenced after it is barred by any statute of limitations pertaining thereto. Any trust or fiduciary relationship between the Issuer and the holder of any bond or coupon or other obligee regarding any such obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the bond or coupon is presented for payment or demand for payment of any such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any account reserved, pledged or otherwise held for the payment of any such obligation, action or suit for the collection of which has been barred, shall revert to the Highway Fund, unless the Governing Body shall otherwise provide by instrument of the Issuer. Nothing herein prevents the payment of any such obligation after any action or suit for its collection has been barred if the Governing Body deems it in the best interests of the public so to do and orders such payment to be made.

Section 904. Evidence of Securityholders. Any request, consent or other instrument, which this Instrument may require or may permit to be signed and to be executed by the holder of any bonds or other securities may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such holder in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the securities or coupons pertaining thereto, shall be sufficient for any purpose of this Instrument (except as otherwise herein expressly provided) if made in the following manner:

A. Proof of Execution. The fact and the date of the execution by any holder of any bonds or other securities or his attorney of such instrument may be provided by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Clerk or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate holder of any securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Holdings. The amount of bonds or other securities transferable by delivery held by



any Person executing any instrument as a holder of securities, and the numbers, date and other identification thereof, together with the date of his holding the securities, may be proved by a certificate which need not be acknowledged or verified, in form satisfactory to the Clerk, executed by a member of a financial firm or by an officer of a bank or trust company, insurance company or financial corporation or other depository satisfactory to Clerk, or by any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, showing at the date therein mentioned that such Person exhibited to such member, officer, notary public or other officer so authorized to take acknowledgments of deeds or had on deposit with such depository the securities described in such certificate; and such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository satisfactory to the Clerk or by a notary public or other officer so authorized to take acknowledgments of deeds with respect to securities owned by such holder, if acceptable to the Clerk;

but the Clerk may nevertheless in his discretion require further or other proof in cases where he deems the same advisable.

Section 905. Warranty Upon Issuance of Bonds.

Any bonds authorized as herein provided, when duly executed and delivered for the purpose provided for in this Instrument shall constitute a warranty by and on behalf of the Issuer for the benefit of each and every future holder of any of the bonds that the bonds have been issued for a valuable consideration in full conformity with law.

Section 906. Immunities of Purchaser. The Purchaser and any associate thereof are under no obligation to

any holder of the bonds for any action that they may or may not take or in respect of anything that they may or may not do by reason of any information contained in any reports or other documents received by them under the provisions of this Instrument. The immunities and exemptions from liability of the Purchaser and any associate thereof hereunder

extend to their partners, directors, successors, employees and agents.

Section 907. Prior Contracts. Nothing herein impairs the Issuer's obligations of contracts with any Person in connection with the Issuer, including, without limitation:

- A. Pledged Revenues. The Pledged Revenues,
- B. Outstanding Securities. The outstanding securities payable from Pledged Revenues,
- C. Prior Instruments. The instruments authorizing such outstanding securities,
- D. Facilities. The Facilities,
- E. Project. The Project, or
- F. Combination. Any combination thereof.

If any provision herein is inconsistent with any provision in any existing contract pertaining to the Issuer so as to affect prejudicially and materially the rights and privileges thereunder, so long as such contract shall remain viable and in effect such provision therein shall control such inconsistent provision herein and the latter provision shall be subject and subordinate to such provision in such existing contract.

Section 908. Governmental Powers. The enforceability of the obligations of the Issuer is:

- A. State and U. S. Powers. Subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and the powers of eminent domain, taxation and licensing inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the Constitution of the United States,
- B. Limitations upon Suits. Subject to the limitations stated in the 11th Amendment, Constitution of the United States, upon suits against states in federal courts by citizens of other states or citizens or subjects of foreign states, and

C. Sovereign Immunity. Subject to the possible passage hereafter of a State statute re-establishing the doctrine of sovereign immunity (heretofore waived by the State subject to certain exceptions and conditions) of the State, the Issuer, and any other political subdivision of the State from liability and suits thereagainst in the absence of the State's consent thereto.

Nothing herein prohibits or limits the exercise by the Federal Government, the State, the Issuer, or any other governmental entity of their respective sovereign powers. Generally, the Issuer can neither contract away any such sovereign powers nor limit or inhibit by contract the proper exercise of such powers, and this Instrument does not purport to do so.

ARTICLE X

## PRIVILEGES, RIGHTS AND REMEDIES

Section 1001. Bondholder's Remedies. Each holder of any bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the Project Act, the Bond Act and this Instrument, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in §§ 206 through 210 hereof, but subject to the provisions concerning the Pledged Revenues and the proceeds of the 1976 bonds.

Section 1002. Right to Enforce Payment. Nothing in this article affects or impairs the right of any holder of any 1976 bond to enforce the payment of the Bond Requirements due in connection with his bond or the obligation of the Issuer to pay the Bond Requirements of each 1976 bond to the holder thereof at the time and the place expressed in the bond and in the appurtenant coupons.

Section 1003. Events of Default. Each of the following events is hereby declared an "event of default," that is to say:

A. Nonpayment of Principal and Premium. Payment of the principal of any of the bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest is not made when the same becomes due and payable or within 30 days thereafter;

C. Incapable to Perform. The Issuer for any reason is rendered incapable of fulfilling its obligations hereunder;

D. Nonperformance of Duties. The Issuer shall have failed to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under

any contract relating to the Pledged Revenues, or otherwise, including, without limitation, this Instrument, and such failure shall continue for 60 days after receipt of notice from either the Purchaser of the bonds or from the holders of 10% in principal amount of the 1976 bonds then Outstanding;

E. Appointment of Receiver. An order or decree shall be entered by a court of competent jurisdiction with the consent or acquiescence of the Issuer appointing a receiver or receivers for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the 1976 bonds, or if an order or decree having been entered without the consent or acquiescence of the Issuer, is not vacated or discharged or stayed on appeal within 60 days after entry; and

F. Default of Any Provision. The Issuer shall make default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the bonds or in this Instrument on its part to be performed, and if such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied is given to the Issuer by either the Purchaser of the bonds or by the holders of 10% in principal amount of the bonds then Outstanding.

Section 1004. Remedies for Defaults. Upon the happening and continuance of any of the events of default, as provided in § 1003 hereof, then and in every case the holder or holders of not less than 10% in principal amount of the bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the Issuer and its agents, officers and employees to protect and to enforce the rights of any holder of bonds or coupons under this Instrument by mandamus or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal, or equitable remedy as such holder or holders may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any holder of any bond, or to require the Issuer to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law

or in equity shall be instituted, had and maintained for the equal benefit of all holders of the 1976 bonds, any parity securities and coupon then Outstanding.

Section 1005. Receiver's Rights and Privileges.

Any receiver appointed in any proceedings to protect the rights of such holders hereunder, the consent to any such appointment being hereby expressly granted by the Issuer, may collect, receive and apply all Pledged Revenues arising after the appointment of such receiver in the same manner as the Issuer itself might do.

Section 1006. Rights and Privileges Cumulative.

The failure of any holder of any Outstanding bond to proceed in any manner herein provided shall not relieve the Issuer, its Governing Body, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such holder (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege thereof.

Section 1007. Duties upon Defaults. Upon the happening of any of the events of default as provided in § 1003 hereof, the Issuer, in addition, will do and perform all proper acts on behalf of and for the holders of 1976 bonds and coupons pertaining thereto to protect and to preserve the security created for the payment of their bonds and coupons and to insure the payment of the Bond Requirements promptly as the same become due. During any period of default, so long as any of the 1976 bonds, as to any Bond Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Pledged Revenues shall be paid into the Bond Fund. If the Issuer fails or refuses to proceed as in this section provided, the holder or holders of not less than 10% in principal amount of the 1976 bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the holders of the bonds as hereinabove provided; and to that end any such holders of Outstanding bonds shall be subrogated to all rights of the Issuer under any agreement or contract involving the Pledged Revenues entered into prior to the effective date of this Instrument or thereafter while any of the 1976 bonds are Outstanding.

Section 1008. Duties in Bankruptcy Proceedings. If any payer of Fuel Taxes proceeds under any laws of the United States relating to bankruptcy, including any action under any law providing for corporate reorganization, it shall be the duty of the Issuer, and its appropriate officers are hereby authorized and directed, to take all necessary steps for the benefit of the holders of the bonds in such proceedings, including, without limitation, the filing of any claims for unpaid Fuel Taxes or otherwise arising from the breach of any of the covenants, terms or conditions of any contract involving the Fuel Taxes, except to the extent the State acting by and through the Tax Commission or otherwise takes such action, unless the Governing Body by resolution or other instrument determines that the costs of such action are likely to exceed the amounts thereby recovered from such taxpayer.

Section 1009. Prejudicial Action Unnecessary. Nothing in this article requires the Issuer to proceed as provided therein if the Governing Body determines in good faith and without any abuse of its discretion that if the Issuer so proceeds it is more likely than not to incur a net loss rather than a net gain or such action is otherwise likely to affect materially and prejudicially the holders of the Outstanding 1976 bonds and any Outstanding parity securities.

ARTICLE XI

## AMENDMENT OF INSTRUMENT

Section 1101. Privilege of Amendments. This Instrument may be amended or supplemented by instruments adopted by the Governing Body in accordance with the laws of the State, without receipt by the Issuer of any additional consideration, but with the written consent of the holders of 66% in aggregate principal amount of the bonds authorized by this Instrument and Outstanding at the time of the adoption of such amendatory or supplemental instrument, excluding, pursuant to ¶ (5), § 102B hereof, any 1976 bonds which may then be held or owned for the account of the Issuer, but including such refunding securities as may be issued for the purpose of refunding any of the 1976 bonds if such refunding securities are not owned by the Issuer.

Section 1102. Limitations upon Amendments. No such instrument shall permit:

A. Changing Payment. A change in the maturity or in the terms of redemption of the principal of any Outstanding bond or any installment of interest thereon; or

B. Reducing Return. A reduction in the principal amount of any bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith, without the consent of the holder of the bond; or

C. Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Instrument; or

D. Modifying Any Bond. A reduction of the principal amount or percentages or otherwise affecting the description of bonds or the consent of the holders of which is required for any such modification or amendment; or

E. Priorities Between Bonds. The establishment of priorities as between bonds issued and Outstanding under the provisions of this Instrument; or



F. Partial Modification. The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the holders of less than all of the bonds then Outstanding.

Section 1103. Notice of Amendment. Whenever the Governing Body proposes to amend or modify this Instrument under the provisions of this article, it shall cause notice of the proposed amendment:

A. Publication. To be published one time in each:

(1) A newspaper published and of general circulation in the City of Las Vegas, in the State of Nevada, and

(2) A financial newspaper or journal published in the City of New York, in the State of New York,

as determined by the Governing Body; and

B. Mailing. To be mailed within 30 days to the Purchaser of the bonds, or to any successor thereof known to the Clerk.

Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the Clerk for public inspection.

Section 1104. Time for Amendment. Whenever at any time within one year from the date of the publication of such notice in the City of New York, New York, there shall be filed in the office of the Clerk an instrument or instruments executed by the holders of at least 66% in aggregate principal amount of the bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in such notice and shall specifically consent to and approve the adoption of such instrument, thereupon, but not otherwise, the Governing

Body may adopt such amendatory instrument and such instrument shall become effective.

Section 1105. Binding Consent to Amendment. If the holders of at least 66% in aggregate principal amount of the bonds then Outstanding, at the time of the adoption of such amendatory instrument, or the predecessors in title of such holders, shall have consented to and approved the adoption thereof as herein provided, no holder of any bond whether or not such holder shall have consented to or shall have revoked any consent as in this article provided, shall have any right or interest to object to the adoption of such amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Issuer from taking any action pursuant to the provisions thereof.

Section 1106. Time Consent Binding. Any consent given by the holder of a bond pursuant to the provisions of this article shall be irrevocable for a period of 6 months from the date of the publication of the notice above provided for in ¶ (2) of § 1103A and shall be conclusive and binding upon all future holders of the same bond during such period. Such consent may be revoked at any time after 6 months from the date of such publication of such notice in a newspaper or journal published in New York, New York, by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Clerk, but such revocation shall not be effective if the holders of 66% in aggregate principal amount of the bonds Outstanding as in this article provided, prior to the attempted revocation, consented to and approved the amendatory instrument referred to in such revocation.

Section 1107. Unanimous Consent. Notwithstanding anything in the foregoing provisions of this article, the terms and the provisions of this Instrument or of any instrument amendatory thereof or supplemental thereto and the rights and the obligations of the Issuer and of the holders of the bonds and coupons thereunder may be modified or amended in any respect upon the adoption by the Issuer and upon the filing with the Clerk of an instrument to that effect and with the consent of the holders of all the then Outstanding bonds, such consent to be given as provided in

§ 904 hereof; and no notice to holders of bonds, either by mailing or by publication, shall be required as provided in § 1103 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 1108. Exclusion of Issuer's Bonds. At the time of any consent or of other action taken under the article, the Issuer shall furnish to the Clerk a certificate of the Treasurer, upon which the Issuer may rely, describing all bonds to be excluded, for the purpose of consent or of other action or of any calculation of Outstanding bonds provided for in this article, and the Issuer shall not be entitled with respect to such bonds to give any consent or to take any other action provided for in this article, pursuant to ¶ (5) of § 102B hereof.

Section 1109. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this article provided may bear a notation by endorsement or otherwise in form approved by the Governing Body as to such action; and if any such bond so authenticated and delivered shall bear such notation, then upon demand of the holder of any bond Outstanding at such effective date and upon presentation of his bond for the purpose at the principal office of the Clerk, suitable notation shall be made on such bond by the Clerk as to any such action. If the Governing Body so determines, new bonds so modified as in the opinion of the Governing Body to conform to such action shall be prepared, authenticated and delivered; and upon demand of the holder of any bond then outstanding, shall be exchanged without cost to such holder for bonds then outstanding upon surrender of such bonds with all unpaid coupons pertaining thereto.

Section 1110. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this article, the amount and number of the bonds held by any Person executing such instrument, and the date of his holding the same may be proved as provided by § 904 hereof.

Proposed on the 15th day of October, 1976.

Proposed by Commissioner Grow.

Passed on the 15th day of October, 1976.

Ayes:	Dick Scott
	Gerry Grow
	Ken L. Gaunt
	Dwight A. Nelson
	Robert F. Rusk

Nays:	None

Absent:	None

*Alex Scott*

Chairman  
Board of County Commissioners  
Washoe County, Nevada

(SEAL)

Attest:

ALEX COON CLERK

By *Alex Coon* CHIEF CLERK

Clerk

This ordinance shall be in force and effect from and after the 22nd day of October, 1976, i.e., the date of the second publication of such ordinance by its title only.



INCLUDING, WITHOUT LIMITATION, THE PRIOR REDEMPTION OF A PORTION OF SUCH AND FOR THE FORM OF AND THE MANNER OF GIVING NOTICES OF SUCH PRIOR REDEMPTION AND OTHERWISE RELATING TO SUCH REFUNDING; PROVIDING FOR THE CREATION OF AN ESCROW AND A SPECIAL ESCROW ACCOUNT AND FOR THE EXECUTION OF AN ESCROW AGREEMENT PERTAINING THERETO, FOR THE PURCHASE OF FEDERAL SECURITIES WITH REFUNDING BOND PROCEEDS AND OTHER MONEYS, FOR THE DEPOSIT OF THE FEDERAL SECURITIES (OTHER THAN BOOK-ENTRIES SECURITIES), THE PROCEEDS OF FEDERAL SECURITIES, AND UNINVESTED MONEYS IN SUCH ESCROW, AND FOR THE TEMPORARY INVESTMENT AND POSSIBLY REINVESTMENT OF ESCROWED MONEYS IN SUCH FEDERAL SECURITIES AND FOR THE USE OF SUCH ESCROWED MONEYS; PROVIDING THE FORMS, TERMS, AND CONDITIONS OF THE REFUNDING BONDS, THE MANNER AND TERMS OF THEIR ISSUANCE, THE MANNER OF THEIR EXECUTION, THE METHOD OF THEIR PAYMENT, AND THE SECURITY THEREFOR, FOR THE USE OF THE BOND PROCEEDS, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF CERTAIN MOTOR VEHICLE FUEL TAXES; PLEDGING REVENUES DERIVED FROM THE LEVY AND COLLECTION OF SUCH EXCISE TAXES AND OTHER MONEYS TO THE PAYMENT OF THE REFUNDING BONDS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM SUCH EXCISE TAXES AND OTHER PLEDGED REVENUES; PROVIDING OTHER COVENANTS, AGREEMENTS, AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING SUCH MOTOR VEHICLE FUEL TAXES, THE REFUNDING BONDS, THE OUTSTANDING BONDS TO BE REFUNDED, ADDITIONAL SECURITIES PAYABLE FROM PROCEEDS OF SUCH TAXES, OTHER PLEDGED REVENUES, AND OTHER MONEYS PERTAINING THERETO, THE ACCOUNTS AND FUNDS RELATING THERETO, SUCH ESCROW, AND THE ESCROW AGREEMENT; PROVIDING OTHER MATTERS RELATING TO THE FOREGOING MATTERS; RATIFYING ACTION HERETOFORE TAKEN AND PERTAINING TO SUCH MATTERS; BY DECLARING THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE, AND PAYMENT OF THE REFUNDING BONDS, PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.





Those Voting Nay: None  
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Those Absent: None  
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The presiding officer thereupon declared that all members of such Board present having voted in favor thereof, the motion was carried and the ordinance was so numbered and ordered published.

Thereupon, after considering other matters not concerning the foregoing ordinance, upon motion duly made, seconded, and unanimously adopted, such meeting was adjourned.

Alice Scott  
 Chairman  
 Board of County Commissioners  
 Washoe County, Nevada

(SEAL)

Attest: ALEX COON CLERK  
 By [Signature] CHIEF DEPUTY  
 \_\_\_\_\_  
 County Clerk