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PROOF OF PUBLICATION

STATE OF NEVADA
COUNTY OF WASHOE

ss. Tana Ciccotti

being duly sworn, deposes and says:
That as legal clerk of the RENO GAZETTE-
JOURNAL, a daily newspaper published in Reno,
Washoe County, State of Nevada, that the notice:

Bill No 1176

of which a copy is hereto attached, has been
published in each regular and entire issue of
said newspaper on the following dates to wit:

Nov. 3, 10 1997

Signed

Tana Ciccotti

Subscribed and sworn to before me on 11/10/97

Notary Public

Debra J. DiCiano

BILL NO. 1176
ORDINANCE NO. 1001

AN ORDINANCE CONCERNING THE WASHOE COUNTY, NEVADA SPECIAL ASSESSMENT DISTRICT NO. 23 (ARROWCREEK); AUTHORIZING THE ISSUANCE OF LOCAL IMPROVEMENT BONDS, SERIES NOVEMBER 1, 1997 FOR THE WASHOE COUNTY, NEVADA SPECIAL ASSESSMENT DISTRICT NO. 23 (ARROWCREEK) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,825.00; AUTHORIZING THE SALE OF SUCH BONDS; FIXING THE RATE OF INTEREST ON UNPAID ASSESSMENTS IN SAID DISTRICT; RATIFYING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN;

PROVIDING OTHER MATTERS RELATIONS THERETO; PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

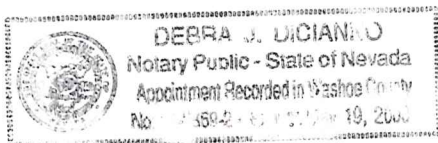
PUBLIC NOTICE IS HEREBY GIVEN that the above-entitled Ordinance was proposed by Commissioner Galloway of the 28th day of October, 1997, as if an emergency exists and was passed and adopted at a regular meeting of the Board of County Commissioners at the same meeting on the 28th day of October, 1997 by Joanne Bond, Jim Galloway, Mike Moullet, and Jim Shaw, with Sue Camp absent.

The Ordinance shall be in full force and effect from and after the 10th day of November, 1997, the date of the second publication of such Ordinance by title only.

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

/s/ Joanne Bond, Chairman
Board of Washoe County
Commissioners
Attest:
/s/ Judi Bailey, County Clerk

No. 4298 Nov.3,10,1997



P.O. BOX 22000, RENO, NEVADA 89520
(702) 788-6200



PLEASE STAMP & SIGN FOR PAYMENT

1001 ✓

Summary - An ordinance authorizing local improvement bonds for the Washoe County, Nevada Special Assessment District No. 23 (ArrowCreek) in the aggregate principal amount of \$12,825,000, and providing other matters related thereto.

BILL NO. 1176

ORDINANCE NO. 1001

AN ORDINANCE CONCERNING THE WASHOE COUNTY, NEVADA SPECIAL ASSESSMENT DISTRICT NO. 23 (ARROWCREEK); AUTHORIZING THE ISSUANCE OF LOCAL IMPROVEMENT BONDS, SERIES NOVEMBER 1, 1997 FOR THE WASHOE COUNTY, NEVADA SPECIAL ASSESSMENT DISTRICT NO. 23 (ARROWCREEK) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,825,000; AUTHORIZING THE SALE OF SUCH BONDS; FIXING THE RATE OF INTEREST ON UNPAID ASSESSMENTS IN SAID DISTRICT; RATIFYING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN; PROVIDING OTHER MATTERS RELATING THERETO; PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, Washoe County in the State of Nevada (the "County" and "State", respectively), is a county organized and operating under the laws of the State of Nevada; and

WHEREAS, the Board of County Commissioners of the County (the "Board") has heretofore, pursuant to the requisite preliminary proceedings, created the Washoe County, Nevada Special Assessment District No. 23 (ArrowCreek) (the "District") for the purpose of acquiring and improving a road, water and non-potable water project (the "Project") and has provided that the entire cost and expense of the Project shall be paid by special assessments, according to benefits, levied against the benefited lots, tracts and parcels of land in the District; and

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

WHEREAS, the Board desires to issue its Washoe County, Nevada Special Assessment District No. 23 (ArrowCreek) Local Improvement Bonds, Series November 1, 1997 in the aggregate principal amount of \$12,825,000 (the "Bonds") to provide funds to pay the cost and expense of the Project; and

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

WHEREAS, the Bonds are to be sold by the County to Stone & Youngberg, LLC (the "Purchaser") on the terms set forth in a Bond Purchase Agreement to be hereafter negotiated (the "Bond Purchase Contract") in substantially the form now on file and the Assistant County Manager or her designee is hereby authorized to execute and deliver the Bond Purchase Contract on behalf of the County; and

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

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

WHEREAS, the Board has determined and does hereby declare that this Ordinance shall be adopted as if an emergency exists and shall become effective at the time an emergency ordinance would have become effective.

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

Section 1. In addition to the terms elsewhere defined in this Special Assessment District No. 23 Bond Ordinance (the "Ordinance"), the following terms shall have the respective meanings set forth below:

"Administration Fund" means the "Washoe County, Nevada Special Assessment District No. 23 Administration Fund" established in Section 11 hereof.

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

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

"Assessment Ordinance" means the Ordinance finally adopted by the Board on October 14, 1997 levying Assessments on the property in the District and any ordinance amending such ordinance.

"Bond Fund" means the "Washoe County, Nevada Special Assessment District No. 23 Bond Fund" established in Section 11 hereof.

"Bond Reserve Fund" means the "Washoe County, Nevada Special Assessment District No. 23 Bond Reserve Fund" established in Section 11 hereof.

"Bond Year" means the twelve month period commencing on November 2 of each calendar year and ending on November 1 of the following calendar year.

"Certificate of Assistant Manager" means a certificate of an Assistant County Manager dated on or before the date of delivery of the Bonds setting forth the rate of interest on the Bonds, the dates on which and prices at which Bonds may be called for redemption, the price at which the Bonds will be sold, and the amount of principal maturing on each date.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, applicable to the Bonds.

"Construction Fund" means the "Washoe County, Nevada Special Assessment District No. 23 Construction Fund" established in Section 11 hereof.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate dated as of November 1, 1997 to be executed by the County in substantially the form now before the Board, and any amendments and supplements thereto.

"Developers" means Southwest Pointe Associates, L.L.C., ("Southwest Pointe"), a Delaware Limited Liability Company, and Helen Jeane Jones, Kenneth G. Walker, and Gerald C. Smith, Trustees of the Nell J. Redfield Trust ("Redfield").

"Financing Agreement" means the Financing Agreement dated as of October 14, 1997 between the County and the Developers, and any amendments and supplements thereto.

"Paying Agent" means Norwest Bank Arizona, N.A., Phoenix, Arizona, being the agent for the County for the payment of the Bonds and interest thereon, or its successors and assigns appointed in accordance with the provisions hereof.

"Rebate Fund" means the "Washoe County, Nevada Special Assessment District No. 23 Rebate Fund" established in Section 16 hereof.

"Record Date" means the fifteenth day of the calendar month preceding each regularly scheduled interest payment date for the Bonds.

"Registrar" means Norwest Bank Arizona, N.A., Phoenix, Arizona, being the agent for the County for the registration, transfer and exchange of the Bonds, or its successors and assigns appointed in accordance with the provisions hereof.

"Special Record Date" means a special date fixed by the Paying Agent to determine the names and addresses of registered owners of Bonds for the purpose of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 3 hereof.

"Trust Estate" means (i) all Assessments levied by the County against the benefited lots, tracts and parcels of land located within the District, (ii) all moneys and securities from time to time held by the County in the Bond Fund and the Bond Reserve Fund, and any and all other real or personal property of every name and nature hereafter by delivery or in writing specially pledged as additional security for the Bonds.

Section 2. All actions, proceedings, matters and things heretofore taken, had and done by the County and the officers thereof (not inconsistent with the provisions of this Ordinance) concerning the District, including, but not limited to, the acquisition and improvement of the Project, the levy of assessments for those purposes, the validation and confirmation of the assessment roll and the assessments therein and the sale of the Bonds to the Purchaser, are ratified, approved and confirmed, including, without limitation, the distribution of the Preliminary Official Statement for the Bonds.

Section 3. For the purpose of defraying the entire cost and expense to the County of the Project, there shall be issued the County's special assessment bonds designated as the "Washoe County, Nevada Special Assessment District No. 23 (ArrowCreek) Local Improvement Bonds,

Series November 1, 1997" in the aggregate principal amount of \$12,825,000 which Bonds shall be dated as of November 1, 1997 and shall be in the form of fully registered Bonds in the denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof. The Bonds shall bear interest, at the rates per annum designated in the Certificate of the Assistant Manager from the most recent interest payment date for which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds, to maturity, payable semiannually on May 1 and November 1 of each year, commencing on May 1, 1998. The Bonds shall mature on November 1 (and May 1 if so designated in the Certificate of the Assistant Manager) in each of the designated years and amounts as designated in the Certificate of the Assistant Manager. The principal of each Bond shall be payable at the principal office of the Paying Agent upon presentation and surrender of such Bond. Except as provided in Section 8 hereof, payment of interest on any Bond shall be made to the person who is the registered owner thereof at the close of business on the Record Date for such interest payment date by check mailed by the Paying Agent to such registered owner at his or her address as it appears on the registration records kept by the Registrar, but any such interest not so timely paid shall cease to be payable to the person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto by first-class postage prepaid mail to each such registered owner as shown on the registration records, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to in writing between the registered owner of such Bond and the Paying Agent. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full. Interest on the Bonds shall be calculated based on a 360-day year, consisting of twelve 30-day months. All such payments shall be made in lawful money of the United States of America.

Section 4. The Bonds will be subject to redemption at the option of the County from any legally available funds on any interest payment date in whole, or in part from any maturities, in any order of maturity and by lot within a maturity in such manner as the County may determine (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to 100% of the principal amount of each Bond, or portion thereof, so redeemed, and accrued interest thereon to the redemption date, plus a premium of not more than 2% as set forth in the Certificate of the Assistant Manager. The redemption premium, if any, shall be paid from a prepayment penalty for the Assessments provided for in the Assessment Ordinance, provided, however, that nothing herein shall prevent the payment of any such redemption premium from any other funds available for that purpose. The Paying Agent shall not be required to give notice of any such prior redemption unless it has received written instructions from the County in regard thereto at least 20 days prior to such redemption date.

The County will apply prepayments of Assessments to repaying the Bonds to the extent and in the manner necessary to allow the County to make timely payment of all Bond principal and interest if all other Assessment installments are paid when due.

The Bonds shall be subject to mandatory sinking fund redemption to the extent provided in the Certificate of the Assistant Manager. Not more than sixty days nor less than twenty days prior to each such sinking fund redemption date, the Registrar shall proceed to select the Bonds so designated for mandatory prior redemption from such sinking fund on the next sinking fund redemption date, and shall give notice of such call at least 15 days prior to the redemption date, without further instruction or notice from the County.

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

sinking fund redemption date and any excess over such amount shall be credited against future sinking fund redemption obligations for the Bonds of that maturity in chronological order or any other order specified by the County.

In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. Unless waived by the registered owner of a Bond to be redeemed, notice of optional or mandatory redemption shall be given by the Registrar in the name of the County by mailing such notice at least fifteen days and not more than sixty days prior to the redemption date, by first-class mail, postage prepaid, to the registered owners (initially Cede & Co.) of the Bonds to be redeemed at their addresses as shown on the registration records. Failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds. All such notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding Bonds are to be redeemed, the CUSIP numbers (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent. After such notice has been given in the manner hereinbefore provided, the Bond or Bonds called for redemption shall become due and payable on the designated redemption date, and from and after such date such Bonds or portions of Bonds shall cease to bear interest and the Owners thereof shall have no further rights except to the payment of such redemption price. Upon presentation and surrender thereof the County will pay the Bond or Bonds called for redemption. Installments of interest due on the redemption date shall be payable as herein provided for payment of interest. A certificate by the Registrar that a notice of redemption has been given as herein set forth shall be conclusive and receipt by the Bondholder of a notice of redemption shall not be a condition precedent to the redemption of that Bond.

Section 5. Pursuant to NRS 271.515, the Chairman, the County Clerk and County Treasurer shall each file with the Secretary of State his or her manual signature certified under oath. Thereafter, each of the Bonds shall be signed and executed in the name of the County with the manual or facsimile of the signature of the Chairman, countersigned with the manual or facsimile of the signature of the County Treasurer, shall be attested with the manual or facsimile of the signature of the County Clerk and the seal of the County or a facsimile thereof shall be affixed thereto. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Any officer herein authorized or permitted to sign any Bond at the time of its execution and of the execution of a signature certificate may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon the Bond. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the manual signature of the Registrar (or a duly authorized officer thereof), and such certificate of authentication of the Registrar upon any Bond shall be the only competent evidence that such Bond has been duly issued and delivered. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence or information relating thereto, appropriate indemnification, and such reimbursement for expenses as it may reasonably require, register and deliver to the registered owner thereof a replacement for such Bond bearing a number not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar shall direct the Paying Agent to pay such Bond in lieu of replacement.

Section 6. Records for the registration and transfer of the Bonds shall be kept by the Registrar. A Bond shall be fully transferable by the registered owner thereof in person or by his or her duly authorized attorney on the registration records kept at the office of the Registrar upon presentation of the Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon the surrender for transfer of any Bond at the designated principal office of the Registrar, duly endorsed for transfer or accompanied by an assignment (in form satisfactory to the

Registrar) duly executed by the registered owner or his or her attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and maturity, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the designated principal office of the Registrar for an equal aggregate principal amount of Bonds of other authorized denominations. The Registrar may require the owner or transferee to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange, and may charge a sum sufficient to pay the cost of preparing and authenticating a new Bond. No such charges shall be levied in the case of an exchange resulting from a redemption of a portion of a Bond. The Registrar shall not be required to transfer or exchange (i) any Bond during the period beginning five days before selection of Bonds for redemption or (ii) any Bond selected for redemption except the unredeemed portion of any Bond redeemed in part as herein provided. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for replacement as provided herein, such Bond shall be promptly cancelled and destroyed by the Paying Agent or Registrar.

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

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

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

Section 8. Notwithstanding the provisions of Sections 4 through 6 hereof, the Bonds shall initially be evidenced by one Bond for each year in which the Bonds mature in the denomination equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bond shall be registered in the name of "Cede & Co.," as nominee for The Depository Trust Company ("DTC"), the securities depository for the Bonds. So long as the Bonds are held by DTC, the Paying Agent, the Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of, premium, if any, and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the registered owners under this Ordinance, registering the transfer of such Bonds, obtaining any consent or other action to be taken by the registered owners and for all other purposes whatsoever, and neither the Paying Agent, the Registrar nor the County shall be affected by any notice to the contrary. Neither the Paying Agent, the Registrar nor the County shall have any responsibility or obligation to any DTC participant or indirect participant, any beneficial owner of the Bonds, or any other person which is not shown on the registration records of the Registrar as being a registered owner with respect to the accuracy of any records maintained by DTC or any DTC participant or indirect participant; the payment by DTC or any DTC participant or indirect participant of any amount in respect of the Bonds; any notice which is permitted or required to be given to the registered owners under this Ordinance; the selection by DTC or any DTC participant or indirect participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as owner. After such initial issuance of the Bonds, the Bonds may not thereafter be transferred or exchanged except:

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

B. upon the resignation of DTC or a successor or new depository under paragraph A or this paragraph B, or a determination

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

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

In the case of a transfer to a successor of DTC or its nominee as referred to in paragraph A above or designation of a new depository pursuant to paragraph B above, upon receipt of the Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under paragraph C above and, if applicable, the failure after reasonable investigation within 90 days thereafter to locate another qualified depository institution for the Bonds as provided in paragraph C above, and upon receipt of the Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations

of \$5,000 and any integral multiple thereof, as provided in Section 3 hereof, registered in the names of such persons and in such denominations as are requested in such written transfer instructions; provided, however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

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

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

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

Section 10. Subject to the provisions of this Ordinance, the Bonds shall be in substantially the following form, with such omissions, insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance or necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

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

UNITED STATES OF AMERICA

STATE OF NEVADA

COUNTY OF WASHOE

NO. R-__

\$ _____

WASHOE COUNTY, NEVADA

SPECIAL ASSESSMENT DISTRICT NO. 23 (ARROWCREEK)

LOCAL IMPROVEMENT BOND

SERIES NOVEMBER 1, 1997

| | | | |
|----------------------|----------------------|--------------------|---------------------|
| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated as of</u> | <u>CUSIP Number</u> |
| __% per annum | November 1, ____ | November 1, 1997 | |

REGISTERED OWNER

PRINCIPAL AMOUNT

DOLLARS

Washoe County, Nevada (the "County"), for value received, hereby promises to pay, out of funds available for that purpose as hereinafter set forth, to the registered owner specified above or registered assigns the principal amount specified above on the maturity date specified above (unless this Bond shall have been called for prior redemption, in which case on such redemption date) and to pay solely from such available funds interest hereon at the interest rate per annum specified above, said interest being payable on May 1 and November 1 in each year, commencing May 1, 1998. This Bond shall bear interest from the most recent interest payment date

to which interest has been paid, or if no interest has been paid, from the date of this Bond. Both principal and interest are payable in lawful money of the United States of America without deduction for exchange or collection charges. The principal of this Bond shall be payable to the person in whose name this Bond is registered (the "registered owner") on the registration records maintained by the registrar of the County, presently Norwest Bank Arizona, N.A., Phoenix, Arizona (the "Registrar"), upon presentation and surrender of this Bond as it becomes due. The interest hereon shall be paid by check mailed by the paying agent of the County, presently Norwest Bank Arizona, N.A., Phoenix, Arizona (the "Paying Agent"), on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner at its address as it last appears on the registration records kept for that purpose by the Registrar on the fifteenth day of the calendar month prior to the month in which such interest payment date occurs or on a special record date established by the Registrar for the payment of defaulted interest. Alternative means of payment of interest may be used if mutually agreed to between the registered owner of this Bond and the Paying Agent. If, upon presentation and surrender to the Paying Agent at maturity or prior redemption, payment of this Bond is not made as herein provided, interest hereon shall continue at the same rate per annum until the principal hereof is paid in full. Interest on this Bond shall be calculated based on a 360-day year consisting of twelve 30-day months.

This Bond is one of a series of bonds designated as the "Washoe County, Nevada Special Assessment District No. 23 (ArrowCreek) Local Improvement Bonds, Series November 1, 1997" (the "Bonds") issued by the County in the aggregate principal amount of \$12,825,000 for the purpose of providing funds to pay the cost and expenses of acquiring and improving a road, water and non-potable water project (the "Project") within the Washoe County, Nevada Special Assessment District No. 23 (the "District"). The Bonds have been authorized and issued pursuant to an ordinance (the "Ordinance") duly adopted by the Board of County Commissioners and the Consolidated Local Improvements Law, Chapter 271, Nevada Revised Statutes (the "Act").

The Bonds are subject to redemption at the option of the County from any legally available funds on any interest payment date in whole, or in part from any maturities, in any order of maturity and by lot within a maturity in such a manner as the County may determine (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to 100% of the

principal amount of each Bond, or portion thereof, so redeemed, and accrued interest thereon to the redemption date, plus a premium computed in accordance with the following schedule:

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

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

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

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

Pursuant to the Ordinance, the payment of the principal of, premium, if any, and interest on the Bonds shall be made from and as security for such payment there is pledged, a special fund designated as the "Washoe County, Nevada Special Assessment District No. 23 Bond Fund" (the "Bond Fund") containing the receipts upon the collection thereof from the special assessments (the "Assessments") levied against and secured by a lien upon the property in the District specially benefited by the Project, which fund shall be used for the full and prompt payment of the Bonds and the interest thereon, and shall be used for no other purpose whatsoever except as permitted by the Ordinance. Whenever there is a deficiency in the Bond Fund, the deficiency must be paid out of the special fund designated as the "Washoe County, Nevada Special Assessment District No. 23 Bond

Reserve Fund," (the "Bond Reserve Fund") which is to be funded and maintained as provided in the Ordinance.

Pursuant to the Ordinance, the Assessments, Bond Fund and Bond Reserve Fund have been irrevocably pledged to and shall be used for the punctual payment of the principal of, premium, if any, and interest on the Bonds, and for payment of the continuing costs of the Bonds and the Assessments and those Funds shall not be used for any other purpose except as provided in the Ordinance while any of the Bonds remain outstanding. The pledge of the Assessments shall constitute a first and exclusive lien on the Assessments for the foregoing purposes in accordance with the terms of the Ordinance. Pursuant to the Act the lien of the Assessments on the real property assessed in the District is coequal with the lien to secure the payment of general (ad valorem) taxes and with the lien of other assessments. The Bonds and the interest thereon are payable solely from the Assessments and the Bond Fund and Bond Reserve Fund pledged to the payment thereof.

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

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

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

The Registrar will not be required to transfer or exchange (i) any Bond during the period beginning five days before selection of Bonds for redemption or (ii) any Bond selected for redemption except the unredeemed portion of any Bond redeemed in part.

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

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

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

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

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

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

IN WITNESS WHEREOF, the County of Washoe, Nevada has caused this Bond to be signed and executed in the name of and on behalf of the County with the manual or facsimile signature of the Chairman of the Board, to be countersigned with the manual or facsimile signature of the County Treasurer, and to be countersigned, subscribed, executed and attested with the manual

or facsimile signature of the County Clerk, has caused the seal of the County or a facsimile thereof to be affixed hereon, and has caused this Bond to be dated as of the date specified above.

(For Manual or Facsimile Signature)
Chairman, Board of County Commissioners
Washoe County, Nevada

(For Manual or Facsimile Signature)
County Treasurer

(MANUAL OR FACSIMILE SEAL)

Attested:

(For Manual or Facsimile Signature)
County Clerk

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

(Form of Assignment Provision)

ASSIGNMENT

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

Dated: _____

NOTICE:

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

Signature Guaranteed:

Address of Transferee:

Social Security or other tax identification number of transferee:

(End of Form of Assignment)

(Form of Legal Opinion Certificate)

STATE OF NEVADA)
) ss. LEGAL OPINION CERTIFICATE
COUNTY OF WASHOE)

The undersigned, County Clerk of Washoe County, Nevada, does hereby certify that the following approving legal opinion of Swendseid & Stern, a member in Sherman & Howard L.L.C., Attorneys at Law, Reno, Nevada:

(Attorneys' opinion is to be inserted in submargins, including a complimentary closing and "/s/ Swendseid & Stern, a member in Sherman & Howard L.L.C.)"

is a true, perfect, and complete copy of a manually executed and dated copy thereof on file in the records of the County Clerk in my office; that a manually executed and dated copy of the opinion was forwarded to a representative of the original purchaser of the Bonds for retention in its records; and that the opinion was dated and issued as of the date of delivery of and payment for the Bonds.

IN WITNESS WHEREOF, I have caused to be hereunto affixed a facsimile of my signature.

(Facsimile Signature)
County Clerk

(End of Form of Legal Opinion Certificate)

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

(a) An amount equal to accrued interest on the Bonds plus an amount which, together with such accrued interest, the interest estimated to be earned on amounts in the Bond Fund until May 1, 1998, and the interest estimated to be earned on the Bond Reserve Fund until May 1, 1998, will equal the interest due on the Bonds through May 1, 1998 shall be deposited in a special account hereby created and to be designated as the "Washoe County, Nevada Special Assessment District No. 23 Bond Fund" (the "Bond Fund") to be used to pay interest on the Bonds until May 1, 1998.

(b) An amount equal to 100% of the combined maximum principal and interest coming due on the Assessments in any one year, or if smaller, such percentage thereof which equals the lesser of the maximum amount of annual principal and interest due on the Bonds in any year or \$1,282,500 (such percentage of the combined maximum annual principal and interest due on the Assessments in any one year is the "Minimum Reserve Requirement") shall be deposited in a special account hereby created and to be designated as the "Washoe County, Nevada Special Assessment District No. 23 Bond Reserve Fund".

(c) The remainder of such proceeds shall be deposited in a special account hereby created and to be designated as the "Washoe County, Nevada Special Assessment District No. 23 Construction Fund".

There are also hereby created the following accounts:

(a) "Washoe County, Nevada Special Assessment District No. 23 Administration Fund".

(b) "Washoe County, Nevada Special Assessment District No. 23 Rebate Fund".

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

Amounts in all of such accounts shall be held by the County Treasurer and may be invested by the County, in securities which are permitted investments for County funds under

Chapter 355 of NRS. Investment earnings shall remain in the fund or account in which it was earned except as otherwise provided herein and in the Financing Agreement.

Section 12. The Construction Fund shall be a special trust fund held by the County Treasurer. All money in the Construction Fund shall be applied by the County for the payment of cost (as defined in the Act) of the acquisition and improvement of the Project, which includes the payment of the costs of issuance of the Bonds, all in accordance with the Financing Agreement. The amount of any income realized from the investment of the money in the Construction Fund shall be retained in the Construction Fund or, at the option of the County, transferred to the Rebate Fund. When the acquisition and improvement of the Project have been completed, the County shall either (i) transfer any remaining balance of money in the Construction Fund to the Bond Fund or (ii) retain such balance in the Construction Fund to be applied for the payment of the cost of any additional projects benefiting the property securing the Assessments permitted by the Act and agreed to by the County and the Developers pursuant to the Financing Agreement. Any such moneys transferred to the Bond Fund shall be credited against the Assessment Installments to become due and payable, with an appropriate payment to the owner of any assessed parcel whose Assessment has been paid in full as provided in the Financing Agreement.

Section 13. The County Treasurer is authorized, empowered and directed, and it shall be his or her duty, to receive, collect and enforce the payment of all Assessments made and levied for the Project, and all installments thereof, all interest thereon, and all penalties accrued, as provided by law and in the same manner and at the same time or times as prescribed by the Assessment Ordinance, and to pay and disburse said payments, the installments thereof, the interest thereon, and the penalties thereto, to the person or persons entitled thereto pursuant to the provisions of this Ordinance, the Financing Agreement and the Act. All moneys received from the Assessments, both principal and interest, shall be deposited in the Bond Fund (except to the extent required to replenish the Bond Reserve Fund). All moneys deposited in the Bond Fund shall be used as soon as the funds are available for the purpose of paying the principal of and the interest and prior redemption premiums on the Bonds as they become due and payable, and (except as herein and in the Financing Agreement provided) for no other purpose whatsoever, and the Bond Fund is hereby pledged as security for such purposes. Notwithstanding the foregoing, during any Bond Year, to the

extent amounts on deposit in the Bond Fund are sufficient to pay the principal of and interest on the Bonds during such Bond Year, the interest portion of the Assessment Installments that is not needed to pay the principal of and interest on the Bonds shall be deposited to the Administration Fund and used to pay the reasonable administration and other expenses of the County in connection with the Bonds, the Assessments and the Project and for certain other purposes, all as provided in Section 2.5 and Section 2.7B of the Financing Agreement.

Section 14. The Bonds and the interest thereon shall be payable from the Bond Fund, containing the receipts upon the collection of the Assessments levied against and secured by a lien upon the lots, tracts and parcels of land in the District benefited by the Project, and from the Reserve Fund. Whenever there is a deficiency in the Bond Fund, the deficiency shall be paid from amounts in the Bond Reserve Fund. The Bond Reserve Fund shall be a special trust fund held by the County Treasurer as a continuing reserve to secure the payment of the Bonds by meeting possible deficiencies in the payment of the principal of and the interest on the Bonds resulting from the failure to deposit into the Bond Fund sufficient funds to pay the principal of and interest on the Bonds as the same accrue. The County hereby pledges the Bond Reserve Fund for such purpose, subject to the provisions hereof and of the Financing Agreement. The Bond Reserve Fund shall be maintained in the amounts required by the Financing Agreement. Moneys in the Bond Reserve Fund shall be applied for the purposes and in the priority specified in the Financing Agreement. Interest and other gain on moneys in such Fund shall be applied as provided in the Financing Agreement. If a deficiency exists in any such Fund, such deficiency shall be remedied, if applicable, from the sources, in the priority and to the extent specified in the Financing Agreement.

Section 15. The Assessment Installments, the Bond Fund and the Bond Reserve Fund are hereby irrevocably pledged to and shall be used for the punctual payment of the principal of, premium, if any, and interest on the Bonds, and for payment of the continuing costs of the Bonds as set forth in Section 13 hereof, and those accounts shall not be used for any other purpose while any of the Bonds remain outstanding except as provided herein. The pledge of the Assessment Installments shall constitute a first and exclusive lien on the Assessment Installments for the foregoing purposes in accordance with the terms hereof. Pursuant to the Act the lien of the Assessments on the real property assessed in the District is coequal with the lien to secure the

payment of general (ad valorem) taxes and the liens of other assessments. The Bonds and the interest thereon are payable solely from the Assessments, the Bond Fund and the Bond Reserve Fund.

Section 16. A. There shall be deposited into the special fund hereby created and to be designated as the "Washoe County, Nevada Special Assessment District No. 23 Rebate Fund" any amounts paid by the County for deposit therein. The Rebate Fund shall be held by the County Treasurer. Notwithstanding any other provision of this Ordinance or of the Financing Agreement, any investment income or other gain on moneys in the Construction Fund, the Bond Fund or the Bond Reserve Fund may be transferred to the Rebate Fund to enable the County to satisfy the requirements of Section 148(f) of the Code. Moneys in the Rebate Fund shall be paid to the United States by the County in the amounts and at the times required by the Code. Any excess moneys contained in the Rebate Fund shall be transferred to the Bond Fund. Upon payment of all amounts due to the United States pursuant to Section 148 of the Code, any moneys remaining in the Rebate Fund shall be transferred to the County's general fund. Moneys in a Rebate Fund are not part of the Trust Estate.

B. The Administration Fund shall be a special fund held by the County Treasurer, but shall not constitute part of the Trust Estate. All money in the Administration Fund shall be to pay the reasonable administration and other expenses of the County in connection with the Bonds, the Assessments and the Project. The amount of any income realized from the investment of the money in the Administration Fund shall be retained in the Administration Fund or, to the extent needed therein, transferred to the Rebate Fund. Any monies in the Administration Fund (including investment income) which the County determines are not needed for administration or such other expenses of the County shall be used as provided in Section 2.7B of the Agreement.

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

examination of all records and accounts at all reasonable times by a representative of the Purchaser or any owner of a Bond.

Section 18. Promptly upon a default in the due and punctual payment of any Assessment Installment due hereunder and under the Assessment Ordinance, the County Treasurer shall mark the Assessment Installment delinquent on the assessment roll for the District and shall notify the delinquent person of such delinquency in writing within 60 days of such default. Unless such Assessment Installment plus accrued interest and penalties thereon have been paid in full, the County Treasurer shall enforce the collection of the delinquent assessment with the other taxes in the general assessment roll of the County and in the same manner. Unless otherwise directed by the Board, in the case of such a collection, the County Treasurer shall determine whether to cause the whole amount of the unpaid Assessment with respect to such property to be immediately due and payable. Alternatively, at the direction of the Board, the County may proceed with the collection or enforcement of any delinquent Assessment Installment, or the whole amount of the unpaid Assessment with respect to such property if the County has exercised its option to cause the whole amount of the unpaid Assessment with respect to such property become due and payable (i) by a foreclosure action brought in the district court located in and for the County or (ii) by directing the Treasurer of the County to give notice of the sale of the property subject to the lien of the delinquent assessment and to otherwise proceed to foreclose on the assessment as provided in NRS 271.540 to 271.625, inclusive.

Upon the sale of or foreclosure upon the real property which is the subject of such delinquent Assessment Installment, or upon the owner of such property paying prior to the date of sale the amount of all delinquent Assessment Installments, or after the date of sale all delinquent Assessment Installments or all of the Assessment if the Board has exercised its option referred to above, accrued interest thereon, penalties and costs of collection, the County shall deposit such moneys received in the Bond Fund or the Bond Reserve Fund, to make up for payments on the Bonds made from those sources, or as otherwise required by the Financing Agreement.

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

- (1) file and prosecute a foreclosure action in the name of the County; and
- (2) proceed against the County to protect and enforce the rights of the registered owners under the Act or hereunder by suit, action or special proceedings in equity or at law, either for the appointment of a receiver or for the specific performance of any provisions contained in the Act or herein or in an award of execution of any power granted for the enforcement of any proper legal or equitable remedy as such registered owner may deem most effectual to protect and enforce the rights aforesaid.

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

Section 20. The County covenants for the benefit of the registered owners of the Bonds to execute and to comply with the provisions of the Continuing Disclosure Certificate in substantially the form now on file with the County Clerk.

Section 21. A. The rate of interest on the unpaid assessments on all assessed property in the District is hereby fixed as 1% per annum above the highest re-offering yield on any Bond as stated on the cover of the Official Statement for the Bonds, or, if lower, 1% per annum above the highest rate of interest on any of the Bonds as shown in the Certificate of the Assistant Manager.

B. Section 3 of Ordinance 996 of the County, adopted and approved October 14, 1997 is hereby amended to read as follows:

Section 3. The Developers pursuant to the Financing Agreement have elected to pay the assessments in installments, with interest as hereinafter provided. The unpaid assessments shall be payable in thirty-nine (39) substantially equal semiannual installments of principal and interest until paid in full, with interest in all cases on the unpaid and deferred installments of principal from the effective date of this Ordinance at a rate or rates which will equal one percent (1%) *per annum above the highest re-offering yield on any Bond as stated on the cover of the Official Statement for the Bonds, or, if lower, 1% per annum above the highest rate of interest*

on any of the Bonds as shown in the Certificate of the Assistant Manager, ~~[where the highest reoffering yield on the Bonds issued for the District,]~~ both principal and interest on such assessments being payable semiannually at the office of the County Treasurer on March 1 and September 1 in each year, commencing on September 1, 1998. Before Bonds are issued, the Board shall by resolution fix the rate or rates of interest on the unpaid and deferred installments of the assessments. The effective interest rate on the Bonds will not exceed the statutory maximum rate, i.e., will not exceed by more than three percent (3%) the "Index of Twenty Bonds" which is most recently published in The Bond Buyer before a negotiated offer for the sale of the Bonds is accepted.

The interest rate on the unpaid and deferred installments of principal of the assessments shall be zero per cent (0%) from the effective date of this Ordinance until March 1, 1998 and thereafter shall be as provided in the forgoing paragraph.

The installments of the assessments shall be payable at the office of the County Treasurer. Pursuant to NRS 271.415(5), the County Treasurer shall notify the owners of real property within the District of the amounts becoming due promptly after each February 1 and August 1; such notice shall state that the assessment installment is payable not later than the March 1 or September 1 next succeeding such notice. Except as hereinafter provided, failure to pay any installment, whether of principal or interest, when due shall cause the whole amount of the unpaid principal of such assessment to become due and payable immediately, at the option of the County, the exercise of said option to be indicated by the commencement of foreclosure or sale proceedings by the County; and the whole amount of the unpaid principal and accrued interest shall, after such delinquency, whether said option is or is not exercised, bear a penalty at the rate of 2% per month (or at any higher rate authorized by statute) until the day of sale, or until paid, but at any time prior to the date of the sale the owner may pay the amount of all delinquent installments originally becoming due on or before the date of said payment, with accrued interest thereon and all penalties and costs of collection accrued, and shall thereupon be restored to the right thereafter to pay in installments in the same manner as if default had not been suffered. The Board may permit the County Treasurer to waive the 2% penalty in the case of any Assessment that is not more than 15 days late, subject to such terms and conditions specified by the Board.

The owner of any property assessed and not in default as to any assessment installment or payment may, at any time (at the

option of such owner), pay the whole or any portion of the unpaid principal with interest accruing thereon to the next assessment payment date, together with a pre-payment premium equal to 2% of the principal amount so prepaid. If the Bonds may then be redeemed without the payment of any premium, the County, in its sole discretion, may waive the requirement of payment of the redemption premium. No waiver for a particular prepayment premium shall be deemed to be a waiver for any other prepayment premium. After any partial prepayment of an assessment, the County Treasurer shall reamortize the assessment installments due on the parcel on which the partial prepayment was made, so that the remaining installments are equal semiannual installments of principal and interest with a final due date of September 1, 2017.

In connection with a refinancing of the Bonds, the County may reamortize the assessment installments in any manner that does not increase the amount of the assessment installment or lengthen the term of the payment of the assessment.

Section 22. The officers of the County are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing:

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

B. The printing and distribution of the final official statement for the Bonds in substantially the form of the Preliminary Official Statement heretofore approved by the Board, but with such amendments, additions and deletions as are in accordance with the facts and not inconsistent herewith; and

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

Section 23. The County covenants for the benefit of the registered owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the County or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the County in fulfilling the above covenant under the Code have been met.

Section 24. A. This Ordinance may be amended or supplemented by an ordinance or ordinances adopted by the Board, without the receipt by the County of any additional consideration, with the written consent of the owners of not less than sixty-six per cent (66%) of the aggregate principal amount of the Bonds outstanding at the time of the adoption of such amendatory or supplemental ordinance, provided, however, that no such ordinance shall have the effect of permitting:

- (a) An extension of the maturity of any Bond authorized by this Ordinance; or
- (b) A reduction in the principal amount of any Bond or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of property, revenues or funds, ranking prior to the liens or pledges created by this Ordinance; or
- (d) A reduction of the principal amount of Bonds required for consent to such amendatory or supplemental ordinance.

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

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

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

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

Section 25. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Board shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the Board may, upon notice mailed to each registered owner at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution or person serve as both Registrar and Paying Agent hereunder, but the County shall have the right to have the same institution or person serve as both Registrar and Paying Agent hereunder.

Section 26. All ordinances, resolutions, bylaws and orders, or parts thereof, in conflict with the provisions of this Ordinance are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw or order, or part thereof, heretofore repealed.

Section 27. Pursuant to NRS 271.710, this Ordinance shall be adopted after a single reading and without holding a hearing thereon as if an emergency exists.

Section 28. After this Ordinance is signed by the Chairman and attested and sealed by the Clerk, this Ordinance shall be published twice by title only, together with the names of the Board members voting for or against its passage, such publication to be made in a newspaper published and having a general circulation in the County, and such publication to be in substantially the following form:

..

(Form of Publication)

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE CONCERNING THE WASHOE COUNTY, NEVADA SPECIAL ASSESSMENT DISTRICT NO. 23 (ARROWCREEK); AUTHORIZING THE ISSUANCE OF LOCAL IMPROVEMENT BONDS, SERIES NOVEMBER 1, 1997 FOR THE WASHOE COUNTY, NEVADA SPECIAL ASSESSMENT DISTRICT NO. 23 (ARROWCREEK) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,825,000; AUTHORIZING THE SALE OF SUCH BONDS; FIXING THE RATE OF INTEREST ON UNPAID ASSESSMENTS IN SAID DISTRICT; RATIFYING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN; PROVIDING OTHER MATTERS RELATING THERETO; PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

PUBLIC NOTICE IS HEREBY GIVEN that the above entitled Ordinance was proposed by Commissioner _____ on the 28th day of October, 1997 as if an emergency exists and was passed and adopted at a regular meeting of the Washoe County Board of County Commissioners (the "Board") at the same meeting on the 28th day of October, 1997 by the following vote of the Board:

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

This Ordinance shall be in full force and effect from and after the ____ day of November, 1997, i.e., the date of the second publication of such Ordinance by title only.

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

/s/Joanne Bond
Chairman, Board of County Commissioners
Washoe County, Nevada

(SEAL)

Attest:

/s/ Judi Bailey
County Clerk

(End of Form of Publication)

Section 30. If any section, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Proposed on this 28th day of October, 1997.

Proposed by Commissioner _____.

Passed on this 28th day of October, 1997.

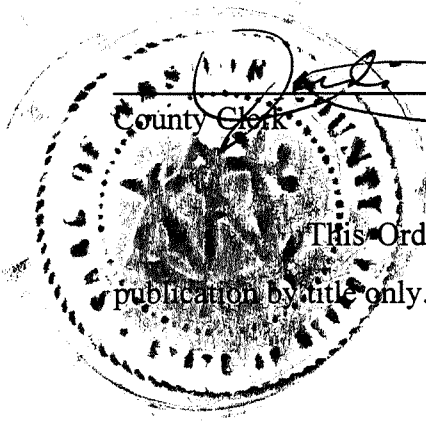
Vote:

| | |
|-------|--------------|
| Ayes: | Joanne Bond |
| | Sue Camp |
| | Jim Galloway |
| | Mike Mouliot |
| | Jim Shaw |

Nays: _____

Those Absent: _____

Attest:



[Signature]

 County Clerk

[Signature]

 Chairman

This Ordinance shall be in force and effect from and after the day of its second publication by title only.

97-1105

STATE OF NEVADA)
)SS.
COUNTY OF WASHOE)

I, Judi Bailey, the duly chosen, qualified and acting Clerk of Washoe County, Nevada (the "County"), do hereby certify:

1. The foregoing excerpts from the minutes of a regular meeting of the Board of County Commissioners of Washoe County (the "Board") held on October 28, 1996, constitute a true, correct, complete and compared copy of the proceedings of the Board so far as such minutes relate to the introduction and passage of an Ordinance designated by the short title the "Special Assessment District No. 23 Bond Ordinance," a copy of which is set forth therein.

2. The copy of the Ordinance is a true, correct, complete and compared copy of the original passed and adopted by the Board at such meeting.

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

4. The members of the Board were present and voted on the passage of the Ordinance as follows:

Those Voting Aye: Joanne Bond
Sue Camp
Jim Galloway
Mike Mouliot
Jim Shaw

Those Voting Nay: _____

Those Absent: _____

5. All members of the Board were given due and proper notice of the meeting. Pursuant to NRS § 241.020, written notice of the meeting, including the time, place, location and agenda of the meeting, was given by not later than 9:00 a.m. at least three working days before the meeting:

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

- (i) Washoe County Library
301 South Center Street
Reno, Nevada
- (ii) Washoe County Courthouse
75 Court Street
Reno, Nevada
- (iii) Sparks Justice Court
630 Greenbrae Drive
Sparks, Nevada
- (iv) County Administrative Complex
1001 East 9th Street
Reno, Nevada

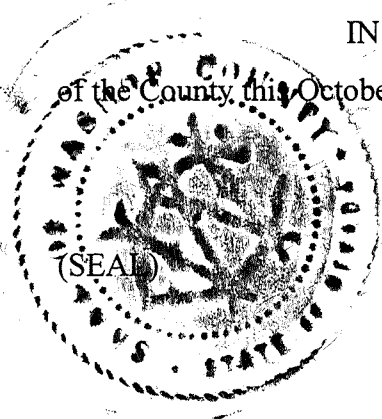
and

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

6. A copy of such notice as posted and mailed is attached hereto as Attachment I.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the County this October 28, 1996.



Judi Baul

 County Clerk

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ATTACHMENT I

(Notice of October 28, 1996
Board of County Commissioners Meeting)

COUNTY COMMISSIONERS

Joanne Bond, Chairman
Mike Mouliot, Vice-Chairman
Sue Camp
Jim Galloway
Jim Shaw

COUNTY MANAGER

John MacIntyre

ASSISTANT
DISTRICT ATTORNEY

Madelyn Shipman

AGENDA

MEETING OF

WASHOE COUNTY BOARD OF COMMISSIONERS

COMMISSION CHAMBERS - 1001 E. 9th Street, Reno, Nevada

October 28, 1997

NOTE: Items on the agenda without a time designation may not necessarily be considered in the order in which they appear on the agenda.

The Washoe County Commission Chambers are accessible to the handicapped. With a 24-hour advance request, a sign language interpreter may be made available (call 328-2000).

Pursuant to NRS 241.020, the Agenda for the Commission Meeting has been posted at the following locations: Washoe County Administration Building (1001 E. 9th Street), Washoe County Courthouse-Clerk's Office (Court and Virginia Streets), Washoe County Central Library (301 South Center Street) and Sparks Justice Court (630 Greenbrae Drive). At the meeting, after salute to the flag and roll call, the Board of County Commissioners may vote on the following items as the Board and, ex-officio, as the Board of Fire Commissioners for the Truckee Meadows Fire Protection District, the Governing Board for Financial Matters of the Regional Hazardous Materials Response Team and/or the Board of Trustees of either the Lawton/Verdi or South Truckee Meadows General Improvement Districts.

Support documentation for items on the agenda, provided to the Washoe County Board of Commissioners, is available to members of the public at the County Manager's Office (1001 E. 9th St., 2nd Floor, Reno, Nevada).

Unless otherwise indicated by asterisk (*), all items on the agenda are action items upon which the Board of County Commissioners will take action.

9:00 a.m.

*1. Salute to the flag.

*2. Roll call.

19. Introduction and adoption (as if an emergency existed) of an Ordinance concerning the Washoe County, Nevada Special Assessment District No. 23 (Arrowcreek); authorizing the issuance of Local Improvement Bonds, Series #1 November 1, 1997 for the Washoe County, Nevada Special Assessment District No. 23 (Arrowcreek) in the aggregate principal amount of \$12,825,000; authorizing the sale of such Bonds; fixing the rate of interest on unpaid assessments in said District; ratifying and confirming all action previously taken; providing other matters relating thereto; providing for its adoption as if an emergency exists; and providing the effective date hereof.

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1001

ATTACHMENT II

(Affidavit of Publication of Ordinance)

RENO GAZETTE-JOURNAL

Legal Advertising Dept. 702-788-6394

Customer Account # 349008
PO #/ID #*4298/bill1117

WASHOE COUNTY
Comptroller's Office
PO Box 11130
RENO NV 89510

Legal Ad Cost 71.02

PROOF OF PUBLICATION

STATE OF NEVADA
COUNTY OF WASHOE

ss. Tana Ciccotti

being duly sworn, deposes and says:
That as legal clerk of the RENO GAZETTE-
JOURNAL, a daily newspaper published in Reno,
Washoe County, State of Nevada, that the notice:

Bill No 1176

of which a copy is hereto attached, has been
published in each regular and entire issue of
said newspaper on the following dates to wit:

Nov. 3, 10 1997

Signed

Tana Ciccotti

Subscribed and sworn to before me on 11/10/97

Notary Public

Debra J. DiCarano

BILL NO. 1176
ORDINANCE NO. 1001

AN ORDINANCE CONCERNING THE
WASHOE COUNTY, NEVADA SPECIAL
ASSESSMENT DISTRICT NO. 23
(ARROWCREEK); AUTHORIZING THE
ISSUANCE OF LOCAL IMPROVEMENT
BONDS, SERIES NOVEMBER 1, 1997
FOR THE WASHOE COUNTY, NEVADA
SPECIAL ASSESSMENT DISTRICT NO.
23 (ARROWCREEK) IN THE
AGGREGATE PRINCIPAL AMOUNT
OF \$12,825,000; AUTHORIZING THE
SALE OF SUCH BONDS; FIXING THE
RATE OF INTEREST ON UNPAID
ASSESSMENTS IN SAID DISTRICT;
RATIFYING AND CONFIRMING ALL
ACTION PREVIOUSLY TAKEN;

PROVIDING OTHER MATTERS
RELATIONS THEREIN; PROVIDING
FOR ITS ADOPTION AS IF AN
EMERGENCY EXISTS; AND PROVID-
ING THE
EFFECTIVE DATE HEREOF.

PUBLIC NOTICE IS HEREBY GIVEN
that the above-entitled Ordinance was
proposed by Commissioner Galloway
of the 28th day of October, 1997, as if
an emergency exists and was passed
and adopted at a regular meeting of
the Board of County Commissioners at
the same meeting on the 28th day of
October, 1997 by Joanne Bond, Jim
Galloway, Mike Moulton, and Jim
Shaw, with Sen Camp absent.

The Ordinance shall be in full force
and effect from and after the 10th day
of November, 1997, the date of the
second publication of such Ordinance
by title only.

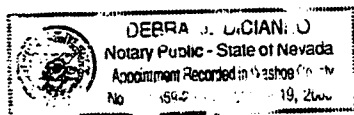
IN WITNESS WHEREOF, the Board of
County Commissioners of Washoe
County, Nevada, has caused this
Ordinance to be published by title
only.

/s/ Joanne Bond, Chairman
Board of Washoe County
Commissioners
Attest:
/s/ Judi Bailey, County Clerk

No. 4298 Nov. 3.10.1997

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g:\wplc



P.O. BOX 22000. RENO, NEVADA 89520
(702) 788-6200



CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Washoe County, Nevada (the "Issuer") in connection with the issuance of the Washoe County, Nevada, Special Assessment District No. 23 (ArrowCreek), Local Improvement Bonds, Series November 1, 1997 in the aggregate principal amount of \$12,825,000 (the "Bonds"). The Bonds are being issued pursuant the bond ordinance (the "Ordinance") adopted by the Issuer on October 28, 1997. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities Exchange Commission.

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the following are National Repositories:

Bloomberg Municipal Repositories
P.O. Box 840
Princeton, NJ 08542-0840
Phone: (609) 279-3200
Fax: (609) 279-5962

Thomson NRMSIR
Attn: Municipal Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014
Phone: (212) 807-5001
Fax: (212) 989-2078

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Kenny Information Systems, Inc.
 65 Broadway - 16th Floor
 New York, NY 10006
 Attn: Kenny Repository Service
 Phone: (212) 770-4595
 Fax: (212) 797-7994

Moody's NRMSIR
 Public Finance Information Center
 99 Church Street
 New York, NY 10007
 Phone: (800) 339-6306
 Fax: (212) 553-1460

Donnelley Financial
 Municipal Securities Disclosure Archive
 559 Main Street
 Hudson, MA 01749
 Phone: (800) 580-3670
 Fax: (508) 562-1969

DPC Data Inc.
 One Executive Drive
 Fort Lee, NJ 07024
 Phone: (201) 346-0701
 Fax: (201) 947-0107

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"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of Nevada as a state information depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

a. The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the issuer's fiscal year ending June 30, 1998, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

b. If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board ("MSRB") and to the State Repository, if any, in substantially the form attached as Exhibit "A".

c. The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and (if the Dissemination Agent is other than the Issuer)

(2) file a report with the Issuer certifying the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the information identified in Exhibit "B" hereto as of the end of the most recently ended fiscal year of the Issuer.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document

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incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Significant Events. The Issuer shall provide or cause to be provided, in a timely manner, to the MSRB and the State Repository, if any, notice of any of the following events with respect to the Bonds, if such event is material:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- g. Modifications to rights of bondholders;
- h. Bond calls;
- i. Defeasances;
- j. Release, substitution or sale of property security repayment of the Bonds; or
- k. Rating changes.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

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SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, without the consent of the holders of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to what which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Bond Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: November __, 1997

WASHOE COUNTY, NEVADA

By: _____
Assistant County Manager - Finance

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EXHIBIT "A"

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Washoe County, Nevada

Name of Bond Issue: Washoe County, Nevada Special Assessment District No. 23 (ArrowCreek) Local Improvement Bonds, Series November 1, 1997 in the aggregate principal amount of \$12,825,000.

Date of Issuance: November __, 1997

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 20 of the Bond Ordinance adopted October 28, 1997, and the Continuing Disclosure Certificate executed on November __, 1997 by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____, _____

WASHOE COUNTY, NEVADA

By: _____
Its: _____

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EXHIBIT "B"

1. The table entitled "Estimated Sources and Uses of Funds" setting forth the principal amount of Bonds outstanding and the balance on deposit in the Bond Fund, the Bond Reserve Fund and the Construction Fund.
2. The following information:
 - (a) With respect to Assessment installments that are more than 90 days delinquent, the amount of each delinquency, the length of time delinquent and the date on which foreclosure or sale proceedings were commenced, or similar information pertaining to delinquencies deemed appropriate by the Issuer, provided, however, that parcels with delinquencies of \$1,000 or less may be grouped together and such information may be provided by land use category;
 - (b) The status of sale or foreclosure proceedings related to property within the District with one or more delinquent Assessment installments and a summary of the results of any sales, provided, however, that parcels with delinquencies of \$1,000 or less may be grouped together and such information may be provided by category;
 - (c) To the extent not prohibited by law, the identity of any owner (as shown in the records of the Washoe County Assessor) who is delinquent in payment of Assessments which represent more than 5% of the total Assessments.
3. To the extent not prohibited by law, a land ownership summary listing property owners responsible for more than 10% of the Assessments.
4. The number of parcels within the District, the number of such parcels with improvements thereon, the total assessed value of the parcels and the total assessed value of the improvements thereon (in each case as shown in the records of the Washoe County Assessor) and the total amount of the unpaid Assessments.

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