

RENO NEWSPAPERS INC
Publishers of
Reno Gazette-Journal

955 Kuenzli St • P.O. Box 22,000 • Reno, NV 89520 • 775.788.6200
Legal Advertising Office 775.788.6394

WASHOE CO
PO BOX 11130

RENO NV 89520-0027

Customer Account # **349008**

PO#

Ad Number **949858**

Legal Ad Cost **\$134.84**

STATE OF NEVADA
COUNTY OF WASHOE

ss: Julia Ketcham

Being first duly sworn, deposes and says: That as the legal clerk of the Reno Gazette-Journal, a daily newspaper published in Reno, Washoe County, State of Nevada, that the notice referenced below has published in each regular and entire issue of said newspaper between the dates: **09/19/03 - 09/26/03**, for exact publication dates please see last line of Proof of Publication below.

PLEASE STAMP & SIGN FOR PAYMENT

Subscribed and sworn to before me

Signed: *Julia Ketcham*

 **TANA CICCOTTI**
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 02-76259-2 - Expires May 16, 2006
Tana Cicotti

SEP 30 2003

SEP 29 2003

Proof of Publication

NOTICE OF ADOPTION BILL NO. 1396, ORDINANCE NO. 1216 (of Washoe County, Nevada) AN ORDINANCE AUTHORIZING THE ISSUANCE OF REGISTERED WASHOE COUNTY, NEVADA, SPECIAL ASSESSMENT DISTRICT NO. 21, LOCAL IMPROVEMENT REFUNDING BONDS, SERIES 2003 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$1,350,000 IN ORDER TO REFUND OUTSTANDING BONDS ISSUED FOR COLD SPRINGS VALLEY SEWER TREATMENT FACILITIES; PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE OF THE ORDINANCE. PUBLIC NOTICE IS HEREBY GIVEN that typewritten copies of the above-numbered and entitled Ordinance are available for inspection by the interested parties at the office of the County Clerk of Washoe County, Nevada, at her office at 350 South Center Street, Suite 100, Reno, Nevada; and that said Ordinance was proposed by Commissioner Galloway on September 16, 2003, and following a public hearing, was passed and adopted without amendment at a regular meeting held not more than 35 days after the close of the hearing, i.e., at the regular meeting on September 16, 2003, by the following vote of the Board of County Commissioners: Those Voting Aye: Jim Galloway, David Humke, Pete Sferrazza, Jim Shaw, and Bonnie Weber. This Ordinance shall be in full force and effect from

and after September 26, 2003, i.e., the date of the second publication of such Ordinance by its title only. IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this Ordinance to be published by title only. DATED: September 17, 2003.
/s/ David Humke Chairman, Board of County Commissioners Washoe
County, Nevada (SEAL) Attest: /s/ Amy Harvey County Clerk
No.949858 Sept 19, 26, 2003

Summary - An ordinance authorizing refunding bonds for Washoe County, Nevada, District No. 21 in the aggregate principal amount of not exceeding \$1,350,000, and providing other matters related thereto.

BILL NO. 1396
ORDINANCE NO. 1216
(of Washoe County, Nevada)

AN ORDINANCE AUTHORIZING THE ISSUANCE OF REGISTERED WASHOE COUNTY, NEVADA, SPECIAL ASSESSMENT DISTRICT NO. 21, LOCAL IMPROVEMENT REFUNDING BONDS, SERIES 2003 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$1,350,000 IN ORDER TO REFUND OUTSTANDING BONDS ISSUED FOR COLD SPRINGS VALLEY SEWER TREATMENT FACILITIES; PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE OF THE ORDINANCE.

WHEREAS, the Board of County Commissioners (the "Board") of the County of Washoe (the "County"), and State of Nevada (the "State"), pursuant to ordinances previously passed and adopted has created its Special Assessment District No. 21 (the "District") and ordered the acquisition of certain local improvements for the District (the "Project") and determined to defray a portion of the entire cost and expense of the Project by special assessments, according to benefits, against the benefited lots, tracts and parcels of land in the District; and

WHEREAS, the Board has by ordinances previously passed and adopted (the "Assessment Ordinance") levied assessments against the property benefited by the Project in the District; and

WHEREAS, the County has previously issued its "Washoe County, Nevada, Special Assessment District No. 21, Local Improvement Bonds, Series July 1, 1996" in the aggregate original principal amount of \$5,500,000 (the "1996 Bonds" or the "Prior Bonds"); and

WHEREAS, the Prior Bonds are subject to prior redemption at the option of the County from any maturities (in any order of maturity and by lot within a maturity) on any interest payment date prior to maturity, at a price equal to the principal amount thereof, accrued

interest to the redemption date and a premium of two percent (2%) of the principal amount so redeemed if redeemed between January 1, 1997 and June 30, 2006; and

WHEREAS, pursuant to Nevada Revised Statutes (“NRS”) 271.488, the County is authorized to issue bonds in order to refund, pay and discharge certain outstanding bonds of the County for the purpose of reducing interest rates and effecting other economies and to evidence such borrowing by the issuance of bonds in accordance with the provisions of NRS § 350.500 through § 350.720, cited in § 350.500 thereof by the short title “Local Government Securities Law” (the “Bond Act”); and

WHEREAS, the County hereby determines that if the County Finance Director (the “Finance Director”) determines that it is in the best interests of the County to refund, pay and discharge the Prior Bonds designated in the Certificate of the Finance Director (as defined below) and as provided in this Ordinance (the “Refunded Bonds”), the County shall refund, pay and discharge the Prior Bonds designated in the Certificate of the Finance Director (the “Project”) and reduce the interest payable on the assessments in the District; and

WHEREAS, the Board and the officers of the County have determined, and do hereby determine, that it is necessary and for the best interests of the County and the inhabitants thereof that the County issue its registered local improvement refunding bonds in an aggregate principal amount not exceeding the aggregate principal amount of the assessments levied against property in the District as remains payable in installments on the date of delivery of the Bonds (as defined below) except as otherwise provided in NRS 271.360; and

WHEREAS, the Board has elected, and hereby elects, to have Chapter 348 of NRS (the “Supplemental Bond Act”) apply to the Bonds; and

WHEREAS, the Bonds are to be sold to Stone & Youngberg, L.L.C. (the “Purchaser”) on the terms set forth in the Bond Purchase Agreement to be hereafter negotiated (the “Bond Purchase Agreement”) in substantially the form now on file; and

WHEREAS, the effective interest rate on the Bonds will not exceed by more than 3% of the Index of Twenty Bonds most recently published in The Bond Buyer prior to the time a negotiated offer was accepted; and

WHEREAS, pursuant to NRS 350.155(3) and 350.155(4), a certificate of the chief administrative officer of the County and a report of the County’s financial advisor have been submitted to the Board and are hereby approved; and

WHEREAS, in connection with the Prior Bonds, the County entered into a Financing Agreement dated May 21, 1996 (the “Financing Agreement”) with Cold Springs 2000 and Roston Company, L.L.C.; and

WHEREAS, the Board has previously established a Local Improvement District Special Surplus and Deficiency Fund (the “Surplus and Deficiency Fund”) in accordance with NRS 271.428; and

WHEREAS, the Board has determined and hereby declares:

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

(b) This Ordinance pertains to the sale, issuance and payment of the Bonds; this declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of NRS 271.475 and 350.579(2); and

(c) This Ordinance may accordingly be adopted as if an emergency now exists and may become effective at the same time when an emergency ordinance of the County may go into effect;

(d) If the Project is undertaken, the issuance of the Bonds will not materially or adversely impair the County's obligation with respect to the Prior Bonds and the principal balance of the assessments in District No. 21 will not increase as a result of the issuance of the Bonds; and

WHEREAS, there have been presented to the Board at this meeting (i) the proposed form of the Escrow Agreement (the “Escrow Agreement”) between the County and U.S. Bank National Association, as escrow agent (the “Escrow Agent”); (ii) the proposed form

of the Letter of Representations between the County and The Depository Trust Company (the "Letter of Representations"); (iii) the Preliminary Official Statement for the Bonds (the "Preliminary Official Statement") and (iv) the proposed form of the Continuing Disclosure Certificate (the "Disclosure Certificate");

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

Section 1. This Ordinance shall be known as and may be cited by the short title "SAD No. 21, Local Improvement Refunding Bonds, Series 2003 Bond Ordinance" (this "Ordinance").

Section 2. All actions, proceedings, matters and things heretofore taken, had and done by the County and the officers of the County (not inconsistent with the provisions of this Ordinance) concerning the District, including, but not limited to, the issuance of the "Washoe County, Nevada, Special Assessment District No. 21, Local Improvement Refunding Bonds, Series 2003" in the aggregate principal amount of not to exceed lesser of \$1,350,000 or the maximum outstanding assessments (the "Bonds") and the sale of the Bonds to the Purchaser, be, and the same hereby is, ratified, approved and confirmed, including, without limitation, the distribution of the Preliminary Official Statement, and the Final Official Statement in substantially the form thereof (the "Official Statement"). Pursuant to NRS 350.165, the Finance Director is authorized to execute the Bond Purchase Agreement and the Certificate of the Finance Director specifying the items required by this Ordinance.

Section 3. After sale of the Bonds, the Finance Director shall determine (i) whether refunding all or a portion of the Prior Bonds is in the best interests of the County and (ii) if so, whether an interest rate savings can be achieved from refunding all or a portion of the Prior Bonds. The Finance Director shall set forth his determination as to the Prior Bonds to be refunded in the Certificate of the Finance Director. If the Finance Director determines that the Prior Bonds shall not be refunded all references in this Ordinance to the refunding of the Prior Bonds and the District shall be of no force and effect and the assessments levied in the District shall continue to secure only the payment of the Prior Bonds. If the Finance Director determines

not to proceed with the Project, all references in this Ordinance to the Bond Act shall be of no force and effect.

Section 4. The County covenants to receive, collect and enforce the payment of all assessments made and levied against property in the District, 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 by this Ordinance, and to pay and disburse said payments, the installments thereof, the interest thereon, and the penalties thereto, to any person or persons lawfully entitled thereto. The County Treasurer of the County (the "County Treasurer") is hereby authorized, empowered and directed to receive and collect all assessments levied in the District, the installments thereof, the interest thereon (at a rate to be hereafter determined), and the penalties accrued, at the time and in the manner specified in the Assessment Ordinance, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same, in accordance with the ordinances and resolutions of the County previously adopted or to be adopted in the future. Except as provided in NRS 271.360 concerning assessments for which a hardship determination has been made, all moneys received from the assessments of the District after the applicable cash periods provided in the Assessment Ordinance, both principal and interest, shall be placed in a separate fund to be designated the "Washoe County, Nevada, Special Assessment District No. 21, Local Improvement Refunding Bonds, Series 2003 Bond Fund" (the "Bond Fund"), and shall be used as soon as the funds are available for the purpose of paying the principal of and the interest on the Bonds, and prior redemption premiums, if any, on the Bonds, and for no other purpose whatsoever. As security for such payment, the Bond Fund is hereby exclusively pledged except as otherwise specifically provided in this Ordinance. The County Treasurer is also authorized, empowered and directed to receive and collect surplus local improvement district moneys, if any, pursuant to NRS 271.428 and to place all said surplus moneys, except as otherwise required by NRS 271.429, in the Surplus and Deficiency Fund. The County Treasurer is authorized and directed to disburse moneys in the Surplus and Deficiency Fund for the payment of the interest on and the principal of the County's special or local improvement district bonds, including the Bonds, to the extent necessary. If the Finance Director determines to proceed with the Project, the Finance Director

may direct the County Treasurer in the Certificate of the Finance Director to transfer all amounts held for payment of the Prior Bonds to the Bond Fund or to the Escrow Account (the "Escrow Account") created under the Escrow Agreement.

Section 5. If the owner of any lot, tract or parcel of land assessed for the Project shall be delinquent as to assessments, it shall be the duty of the Board to cause the delinquent person to be notified of such delinquency, in writing, and if such delinquency is not paid, the Board may foreclose the special assessment lien against the property or properties wherein the delinquency exists in the method now or hereafter provided by law. All of the net proceeds of collecting any delinquent assessment shall be deposited in the Bond Fund (or in the general fund of the County (the "General Fund"), to the extent provided in Section 9 of this Ordinance) and in any event in an amount of not less than the principal amount of said assessment or installment thereof and accrued interest thereon to the date of its collection.

Section 6. For the purpose of defraying the entire cost and expense of the Project (except to the extent funds are available therefor from that part of said assessments which have been previously paid and to the extent other funds are available therefor) and, if the Finance Director determines that an interest rate savings can be achieved, the County hereby authorizes the issuance of the fully registered (i.e. registered as to payment of both principal and interest) special assessment bonds designated as the "Washoe County, Nevada, Special Assessment District No. 21, Local Improvement Refunding Bonds, Series 2003" in the aggregate principal amount of not to exceed the lesser of \$1,350,000 or the maximum outstanding assessments. The Bonds shall be dated as of the date of delivery of the Bonds and, except as provided in Section 13 of this Ordinance, shall be issued in the denomination of \$5,000 or any integral multiple of \$5,000 (except for one Bond of the first maturity which may be in any denomination which is an integral multiple of \$1,000), provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond will be issued for more than one maturity. The Bonds shall bear interest at the rates per annum designated in the Certificate of the Finance Director (calculated on a 360-day year consisting of twelve 30-day months) 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 or prior redemption, payable

semiannually on January 1 and July 1 of each year, commencing on January 1, 2004. The Bonds shall mature on the dates, in the years and in the amounts designated in the Certificate of the Finance Director.

The Bonds shall be payable in lawful money of the United States of America without deduction for exchange or collection charges at the office of U.S. Bank National Association, being both the paying agent (the "Paying Agent") and the registrar (the "Registrar") for the Bonds, or such other office as may be designated by the Paying Agent. If, upon presentation at or after maturity, payment of any Bond is not made as provided in this Ordinance, interest thereon shall continue at the same rate per annum until the principal thereof is paid in full. The principal of and prior redemption premiums due on any Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity thereof and upon presentation and surrender of such Bond at the Paying Agent or such other office as may be designated by the Paying Agent. Except as provided in Section 13 of this Ordinance, payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof at his address as it last appears on the registration books kept by the Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent and any registered owner), on the fifteenth day of the calendar month preceding each interest payment date (the "Regular Record Date") or, on a special record date (the "Special Record Date") if established by the Paying Agent for the payment of defaulted interest on such Special Record Date. All such payments shall be made in lawful money of the United States of America.

Section 7. (a) All of the Bonds shall be subject to redemption prior to maturity, from any legally available monies, at the option of the County from any maturities (in any order of maturity and by lot within a maturity) on any interest payment date, at a price equal to the principal amount thereof, accrued interest to the redemption date and a premium of not more than two percent (2%) of the principal amount so redeemed as set forth in the Certificate of the Finance Director. The prior redemption premium, if any, shall be paid from prepayment penalty for special assessments provided for in the Assessment Ordinance, provided, however,

that nothing in this Ordinance shall prevent the payment of any such redemption premium from any other funds available for that purpose.

(b) The Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates as specified in the Certificate of Finance Director (the "Term Bonds") shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Certificate of Finance Director. Not more than sixty days nor less than fifteen days prior to each such sinking fund redemption date, the Registrar shall proceed to redeem 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 redemption as provided in this Section 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, Term Bonds of the appropriate maturity in an aggregate principal amount desired by the County, or (ii) specify a principal amount of Term Bonds of the appropriate maturity, which prior to said date have been redeemed (other 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 Term Bond or portion thereof so delivered or previously redeemed will be credited by the Registrar at 100% of the principal amount thereof against the obligation of the County on such sinking fund redemption date and any excess over such amount shall be credited against future sinking fund redemption obligations for the Term Bonds of that maturity in chronological order or any other order specified by the County.

(c) The County Treasurer shall select the maturity of the Bonds to be redeemed pursuant to paragraph (a) of this Section. If less than all Bonds of a single maturity are being called, such Bonds will be selected by the Paying Agent by lot giving proportionate weight to Bonds in denominations larger than \$5,000, all in such manner as the Paying Agent may determine. Whenever considered advisable by the County Treasurer and whenever funds are available for such purpose (to the credit of the District), the County Treasurer may require that the Paying Agent call a suitable amount of Bonds for payment. In the case of Bonds of a

denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof, except for one Bond of the first maturity which may be in any denomination which is an integral multiple of \$1,000) 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.

(d) Unless waived by any registered owner of a Bond to be redeemed, notice of redemption shall be given by the Registrar, in the name of the County by mailing such notice at least 30 days and not more than 60 days prior to the redemption date, by first-class mail, postage prepaid, to the registered owner (initially Cede & Co.) of the Bonds to be redeemed and to the original Purchaser of the Bonds. 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: (1) the CUSIP numbers, if any, of the Bonds to be redeemed, (2) the redemption date, (3) the redemption prices, (4) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (5) 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 (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office of the Paying Agent or such other office as may be designated by the Paying Agent. After such notice has been given in the manner provided above, the Bond or Bonds called for redemption shall become due and payable on the designated redemption date and upon presentation thereof and the County will pay the Bond or Bonds called for redemption. Installments of interest due prior to the redemption date and on the redemption date shall be payable as provided in this Ordinance for payment of interest. A certificate of the Registrar that a notice of redemption has been given as set forth in this Ordinance shall be conclusive. Receipt by the bondowner of a notice of redemption shall not be a condition precedent to the redemption of that owner's Bond or Bonds.

Section 8. Except as otherwise provided in Section 13 of this Ordinance, the person in whose name a Bond shall be registered on the registration books kept by the Registrar

shall be deemed and regarded as the absolute owner thereof for all purposes and payment of principal of, prior redemption premium due on, and interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative (except as provided above for the payment of interest to the registered owner as of the Regular 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.

Section 9. The principal of and interest on the Bonds shall be payable from the Bond Fund, containing the receipts upon the collection thereof from the assessments levied against and secured by a lien upon the lots, tracts and parcels of land in the District and from the Bond Reserve Fund. Whenever there is a deficiency in the Bond Fund, the deficiency shall be paid first from amounts in the Bond Reserve Fund and second from amounts in the Surplus and Deficiency Fund as provided in NRS § 271.495 and third from amounts in the General Fund as provided in NRS § 271.495. There is hereby created the special fund designated as the "Washoe County, Nevada Special Assessment District No. 21 Bond Reserve Fund" (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 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. 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. In the event deficiencies are paid out of the General Fund, all net proceeds of collecting the delinquent assessments with respect to which such payments from the General Fund were required to be made shall be returned and deposited in the General Fund when the Bonds, both principal and interest, have been fully paid and discharged. If the General Fund shall be insufficient to pay any such deficiency promptly, the

Board shall levy, and it shall be its duty to levy, general (ad valorem) taxes upon all property in the County which is by law taxable for State, County and municipal purposes, without regard to any statutory tax limitation existing on or after May 14, 1965, and without limitation as to rate or amount, fully sufficient, after making due allowance for probable delinquencies, to provide for the prompt payment of such Bonds as they become due, both principal and interest, but subject to the limitations set forth in NRS 361.453 and Section 2 of Article 10 of the Constitution of the State. The principal of and interest on the Bonds are payable solely from the assessments, the Bond Reserve Fund, any moneys in the Surplus and Deficiency Fund, the General Fund, and general tax proceeds pledged to the payment thereof.

Section 10. Pursuant to NRS 271.515, the Chairman of the Board (the "Chairman"), the County Clerk of the County (the "County Clerk") and County Treasurer shall each file with the Secretary of State his or her manual signature certified under oath. Each Bond shall be signed and executed in the name of the County with the engraved, imprinted, stamped or otherwise reproduced manual or facsimile of the signature of the Chairman and the County Treasurer. Each Bond shall be attested with the manual or facsimile signature of the County Clerk and shall be authenticated by the manual signature of an authorized officer of the Registrar as hereafter provided. A printed, engraved, stamped or otherwise placed authentic or facsimile of the seal of the County shall be affixed to each Bond. 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), 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 authorized or permitted by this Ordinance 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 provided in Section 15 of this Ordinance, has been duly executed by the Registrar. The certificate of authentication of the Registrar upon any Bond shall be the only competent evidence that such Bond has been duly issued and delivered. The

Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by a duly authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued under this Ordinance. 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 may direct the Paying Agent to pay such Bond in lieu of replacement.

Section 11. Except as otherwise provided in Section 13 of this Ordinance, books or 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 duly authorized attorney on the registration records kept at the office of the Registrar, or such other office as may be designated by the Registrar, upon presentation of the Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Except as otherwise provided in Section 13 of this Ordinance, upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment (in form satisfactory to the Registrar) duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity 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, 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 an optional redemption. The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the date of mailing by the Registrar of a notice of prior redemption of the Bonds and ending at the close of business on the date of such mailing, or (ii)

any Bond after the mailing of notice calling such Bond, or any portion thereof, for redemption as provided in this Ordinance. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for replacement as provided in this Ordinance, such Bond shall be promptly canceled and destroyed by the Paying Agent or Registrar, and a certificate of such destruction shall be prepared by the Paying Agent or Registrar upon request of the County.

Section 12. Subject to the registration provisions of this Ordinance, the Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the 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 13. (a) Notwithstanding the foregoing provisions of Sections 6 to 12 of this Ordinance, the Bonds shall initially be evidenced by one Bond for each maturity in denominations equal to the aggregate principal amount of such maturity. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of The Depository Trust Company 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 from time to time (the "1934 Act"); or

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this Subsection (a), or a determination by the Board that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the Board of another depository institution acceptable to the Board and 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 1934 Act, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this Subsection (a), or a determination of the Board that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the Board, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

(b) In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of Subsection (a) of this Section or designation of a new depository pursuant to clause (2) of Subsection (a) of this Section, upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity of the Bonds then outstanding 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 clause (3) of Subsection (a) of this Section and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of Subsection (a) of this Section, and upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the authorized denominations or any integral multiple thereof, as provided in and subject to the limitations of Section 6 of this Ordinance, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions. 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.

(c) The Board, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes of this Ordinance and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Board, the Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to Subsection (a) of this Section.

(d) The Board, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of Subsection (a) of this Section in effectuating payment of the bond requirements of 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.

(e) Upon any partial redemption of any maturity 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 prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment.

Section 14. Pursuant to NRS 271.505, the Bonds shall contain a recital that they are issued pursuant to Chapter 271 of NRS (the "Consolidated Local Improvements Law"), which recital shall conclusively impart full compliance with all of the provisions of the Consolidated Local Improvements Law, and all of the Bonds shall be incontestable for any cause whatsoever after their delivery for value. If the Finance Director determines to proceed with the Project, pursuant to NRS 350.628, said Bonds shall contain a recital that they are issued pursuant to the Bond Act, which recital shall conclusively impart full compliance with all of the provisions of the Bond Act, and all Bonds issues containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Section 15. Subject to the provisions of this Ordinance, the Bonds and certificates thereon 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 and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

** 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. 21
LOCAL IMPROVEMENT REFUNDING BOND
SERIES 2003**

Interest Rate

Maturity Date

Dated as of

CUSIP Number

____% per annum

_____, 2003

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The County of Washoe (the "County"), in the State of Nevada (the "State"), for value received hereby promises, out of funds available for the purpose as hereinafter set forth, to pay to the registered owner hereof specified above or registered assigns the principal amount specified above on the maturity date specified above with interest hereon from the date of this Bond, or from the most recent interest payment date to which interest has been paid, until maturity at the percentage rate per annum specified above, said interest being payable semiannually on the first days of January and July in each year, commencing January 1, 2004, both principal and interest being payable in lawful money of the United States of America without deduction for exchange or collection charges. Interest on this Bond shall be calculated based on a 360-day year, consisting of twelve 30-day months. The principal of this Bond shall be payable to the registered owner (as shown on the registration records) at _____ (the "Paying Agent," "Transfer Agent" and "Registrar"), or such other office as may be designated by the Paying Agent, upon presentation and surrender of this Bond

as it becomes due. The interest hereon shall be paid to the registered owner hereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to such registered owner at his address as it last appears on the registration books kept for that purpose by the Registrar on the fifteenth day of the calendar month immediately preceding such interest payment date 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 owner of this Bond and the Paying Agent, as provided in the ordinance authorizing the issuance of this Bond (the "Bond Ordinance"). If, upon presentation and surrender to the Paying Agent at maturity, 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.

This Bond is one of a series of special assessment bonds, issued by the County, all of which are of like date and designation (but not denomination) and aggregate principal amount of \$ _____.

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

If less than all of the Bonds or portions thereof of a single maturity are being called for redemption such Bonds are to be selected by the Paying Agent by lot as provided in the Bond Ordinance. Redemption shall be made upon not less than 30 days' nor more than 60 days' prior notice by mailing to the registered owner of such Bond to be redeemed at the address shown on the registration records in the manner and upon the conditions provided in the Bond Ordinance.

Pursuant to the Bond 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. 21 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 Bond 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. 21 Bond Reserve Fund," which is to be funded and maintained as provided in the Bond Ordinance (the "Bond Reserve Fund"). Additionally, should it ever become necessary, the County has agreed to pay the Bonds from the sources identified in NRS § 271.495, including amounts in the County's surplus and deficiency fund and amounts in the County's general fund (the "General Fund") which are legally available therefor. If the General Fund shall be insufficient to pay any such deficiency promptly, the Board shall levy, and it shall be its duty to levy, general (ad valorem) taxes upon all property in the County which is by law taxable for State, County and municipal purposes, without regard to any statutory tax limitation existing on or after May 14, 1965, and without limitation as to rate or amount, fully sufficient, after making due allowance for probable delinquencies, to provide for the prompt payment of such Bonds as they become due, both principal and interest, but subject to the limitations set forth in Nevada Revised Statutes ("NRS") 361.453 and Section 2 of Article 10 of the Constitution of the State. The principal of and interest on the Bonds are payable solely from the assessments, the moneys, if any, in the County's Surplus and Deficiency Fund (as defined in the Bond Ordinance), the General Fund, and general tax proceeds pledged to the payment thereof.

Pursuant to the Bond 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 Bond Ordinance while any of the Bonds remain outstanding. The pledge of the Assessments shall constitute a prior and exclusive lien on the Assessments for the foregoing purposes in accordance with the terms of the Bond Ordinance. Pursuant to the Act such lien is coequal with the lien on the real property in the District 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, the Bond Reserve Fund, the surplus and deficiency fund, the County's general fund and general tax proceeds 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 Bond Ordinance, and the other proceedings of the County relating thereto.

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 said special assessment bonds of said County for said improvements and incidental expenses, including this Bond, does not exceed the amount authorized by law nor the total unpaid special assessments levied to cover the cost of said improvements; that this Bond is issued under the authority of the Consolidated Local Improvements Law, Chapter 271, NRS and NRS Section 350.500 through 350.720 and that this Bond is incontestable for any cause whatsoever.

It is hereby further certified, recited and declared that the proceedings, with reference to making such improvements, levying the assessments to pay therefor, and issuing said 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 improvements and of the liability of the owner or owners of such property therefor have been performed.

*The Bonds of the series of which this is one are fully registered (i.e., registered as to payment of both principal and interest), and are issuable in denominations of \$5,000 (except as otherwise provided in the Bond Ordinance) and any integral multiple thereof, provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond may be issued for more than one maturity. Upon surrender of any of such Bonds at the Registrar with a written instrument satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, and receipt by such Registrar of the fees and charges provided in the Bond Ordinance, such Bond may, at the option of the registered owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of such Bonds of the same maturity of other authorized denominations, subject to such terms and conditions as set forth in the Bond Ordinance.

*Except for the fifteen-day period preceding any date on which any portion of the Bonds of the series of which this Bond is one are being selected for call for prior redemption and except for any Bond so called for redemption, this Bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration books 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 all fees and charges required by such Registrar. Upon such transfer a new fully registered Bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this Bond, subject to such terms and conditions as set forth in the Bond 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 and for all other purposes.

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

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

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

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be signed and executed in the name of and on behalf of the County with the [manual/facsimile] signature of the Chairman of the Board of County Commissioners, to be countersigned with the [manual/facsimile] signature of the County Treasurer, and to be countersigned, subscribed, executed and attested with the [manual/facsimile] signature of the County Clerk, has caused the [authentic/facsimile] of the corporate seal of the County to be affixed hereon, and has caused this Bond to be dated as of the date specified above.

(For [Manual/Facsimile] Signature)
Chairman

Countersigned:

(For [Manual/Facsimile] Signature)
County Treasurer

(AUTHENTIC OR FACSIMILE SEAL)

Attested and Countersigned:

(For [Manual/Facsimile] Signature)
County Clerk

- * Insert only if Bonds are delivered pursuant to Section 13A(3) of this ordinance.
- ** Insert only if Bonds are initially delivered to The Depository Trust Company pursuant to Section 13(A) of this ordinance.

(Form of Registrar's Certificate of Authentication)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Registration: _____

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

_____ as Registrar

By (Manual Signature)
Authorized Officer

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

[insert insurance statement, if any]

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

PREPAYMENT PANEL

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

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

(End of Form of Prepayment Panel)**

(MAY BE PRINTED ON THE BACK OF THE BOND AND THE FOLLOWING STATEMENT INSERTED — REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF; SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.)

(Form of Assignment Provision)

ASSIGNMENT PROVISION

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney in fact, to transfer the within Bond on the books of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

Signature Must Be Guaranteed By A Member Firm Of The National Association Of Securities Dealers Or By A Commercial Bank or Trust Company

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Name of Transferee: _____

Address of Transferee: _____

Taxpayer Identification or Social Security Number(s) _____

Transfer fees must be paid to the Registrar in order to transfer or exchange this Bond as provided in the Bond Ordinance.

(End of Form of Assignment)

Section 16. When the Bonds have been duly executed and authenticated, they will be delivered to the Purchaser on receipt of the agreed purchase price. If the Finance Director determines that an interest rate savings can be achieved, the proceeds realized from the sale of the Bonds (net of any discount), including any investment income therefrom, together with any other legally available monies, shall be applied solely to defray the cost and expense of the Project as follows:

- (a) an amount necessary to effect the refunding of the Refunded Bonds shall be deposited in the Escrow Account as set forth in Section 30 of this Ordinance;
- (b) an amount at least equal to minimum reserve requirement as set forth in the Financing Agreement shall be deposited in the Bond Reserve Fund; and
- (c) the remaining proceeds shall be used to pay the cost of issuance of the Bonds.

Any funds remaining from the sale of the Bonds after completion of the Project, shall be deposited in the Bond Fund and used for the purposes provided in Section 4 of this Ordinance. All moneys received as accrued interest and premium, if any, at the time of delivery of any of the Bonds shall be deposited into the Bond Fund to apply to the payment of interest next due on the Bonds. The Purchaser, however, 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 thereof or of any other funds designated in this Ordinance.

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 said special assessments, as well as any delinquencies in the collection thereof, covering deposits in and disbursements from the Bond Fund, deposits in and disbursements from the Bond Reserve Fund, covering deposits in and disbursements from the Surplus and Deficiency Fund, covering the redemption of the Bonds both principal and interest, and covering disbursements to defray the costs of the Project, including incidental expenses. The County will permit an inspection and examination of all books and accounts at all reasonable times by any representative of the Purchaser.

Section 18. The officers of the County be, and they hereby 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 if appropriate, a statement of insurance; and

(b) the printing, distribution and execution of the final official statement for the Bonds (the "Final Official Statement") in substantially the form now before the Board, but with such amendments, additions and deletions as are in accordance with the facts and not inconsistent with this Ordinance, and are approved by the execution of the Final Official Statement by the Finance Director;

(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 designation of the Paying Agent and the Registrar, 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 Chapter 271, NRS, as hereafter amended and supplemented from time to time;

(d) the execution by the Finance Director of the Bond Purchase Agreement between the Purchaser and the County, the Continuing Disclosure Certificate and the Escrow Agreement; and

(e) the completion and execution by the Finance Director of the Certificate of the Finance Director in accordance with the provisions of this Ordinance.

Section 19. Any registered owner of any one or more of the Bonds may, either at law or in equity, by suit, action, mandamus or other appropriate proceeding in any court of competent jurisdiction, protect the liens created by this Ordinance on the proceeds of said assessments, and may by suit, action, mandamus or other appropriate proceeding enforce and

compel the performance of any duty imposed upon the County by the provisions of this Ordinance, or any ordinance previously adopted concerning the District, including without limiting the generality of the foregoing, the segregation of special assessments, the proper application thereof, and the appointment of a receiver. The failure of any bondowner to proceed shall not relieve the County or any of its officers, agents or employees of any liability for failure to perform any such duty.

Section 20. 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 or refinanced 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 Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax 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 Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Tax 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 Tax Code have been met.

Section 21. The County covenants and agrees that it will execute, comply with and carry out all of the provisions of the Disclosure Certificate, a copy of which is on file for public inspection in the office of the County Clerk. In the event the County fails to comply with the Disclosure Certificate, any holder or beneficial owner of the Bonds may take the remedial actions set forth therein. Breach of the undertakings of the County in the Disclosure Certificate shall not constitute a default of this Ordinance.

Section 22. When all of the principal of, interest on and prior redemption premiums due in connection with any Bond have been duly paid, the pledge, the lien, and all obligations under this Ordinance shall thereby be discharged as to the Bond and the Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be

deemed to be such due payment when the County has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by the United States ("Federal Securities")) in which such amount may be initially invested wholly or in part) to meet all principal of, the interest on, and prior redemption premium, if any, on the Bond, as the same become due. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof.

Section 23. All ordinances or resolutions, or parts thereof, in conflict with the provisions of this Ordinance are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, previously repealed, and this Ordinance shall be irrevocable until the principal of and interest on the Bonds shall be fully paid, satisfied and discharged, as provided in this Ordinance.

Section 24. This Ordinance may be amended (except for the provisions of Section 13 of this Ordinance) 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 sixty percent (60%) 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.

Section 25. Pursuant to NRS 271.520, the Bonds, their transfer, and the income therefrom, shall forever be and remain free and exempt from taxation by the State and any subdivision thereof, except for the tax on estates imposed by Chapter 375A of NRS, or the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

Section 26. The Board does hereby find and declare that the life of the improvements to be acquired with the proceeds obtained from the sale of the Bonds shall be not less than the twenty (20) year period during which the Bonds mature.

Section 27. If the Registrar or Paying Agent initially appointed under this Ordinance shall resign, or if the Board shall determine to remove the Registrar or Paying Agent, the Board may, upon notice mailed to each owner of any Bond at his address last shown on the registration books, 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 serve as both Registrar and Paying Agent under this Ordinance, but the County shall have the right to have the same institution serve as both Registrar and Paying Agent under this Ordinance. Any corporation, association, or agency into which the Registrar or the Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, automatically shall be and become successor registrar or paying agent under this Ordinance and vested with all of the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything contained in this Ordinance to the contrary notwithstanding.

Section 28. The forms, terms and provisions of the Escrow Agreement, the Letter of Representations, and the Disclosure Certificate are approved and the County shall enter

into the Escrow Agreement (if the Finance Director determines to proceed with the Project), the Letter of Representations, and the Disclosure Certificate in the forms of such documents presented to the Board at this meeting, with only such changes therein, if any, as are approved by the Finance Director. If the Finance Director determines to proceed with the Project, the Finance Director is hereby authorized and directed to execute and delivery the Escrow Agreement, the Disclosure Certificate and the Letter of Representations. If the Finance Director determines that the Project shall be undertaken with respect to the 1996 Bonds, the County hereby elects to redeem the 1996 Bonds on January 1, 2004 at a price equal to the principal amount thereof, accrued interest to the redemption date and the premium of 2% of the principal so redeemed. Notice of redemption shall be given in the name of and on behalf of the County by the registrar for the 1996 Bonds, by mailing a copy of a notice of prior redemption at least once not less than 30 days nor more than 60 days before the January 1, 2004, by first class, postage prepaid mail, to at least the following: any registered owners of any 1996 Bond at his or her address as it last appears on the registration records kept by the registrar for the 1996 Bonds.

Section 29. The Notice of Prior Redemption required by the preceding section shall be in substantially the following form:

(FORM OF NOTICE OF PRIOR REDEMPTION AND DEFEASANCE)

**NOTICE OF PRIOR REDEMPTION AND DEFEASANCE
OF
WASHOE COUNTY, NEVADA
SPECIAL ASSESSMENT DISTRICT NO. 21
LOCAL IMPROVEMENT BONDS
SERIES JULY 1, 1996**

CUSIP NUMBERS _____

NOTICE IS HEREBY GIVEN that the Washoe County, Nevada (the "County") has caused to be deposited in escrow with _____, refunding bond proceeds and other moneys which have been invested (except for an initial cash balance remaining uninvested) in bills, notes, bonds, and similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States of America, to refund, pay, and discharge the principal, interest and prior redemption premiums on all of the outstanding "Washoe County, Nevada, Special Assessment District No. 21, Local Improvement Bonds, Series July 1, 1996" (the "Refunded Bonds").

Refunded Bonds in the aggregate principal amount of \$ _____ are called for redemption on _____ 1, 2004. On such date the principal amount thereof, accrued interest thereon to the redemption date, and a premium equal to two percent (2.0%) of the principal amount of each Refunded Bond so redeemed will become due and payable at the office of the paying agent _____, and thereafter interest will cease to accrue.

According to a report pertaining to such escrow of _____, certified public accountants, the escrow, including the known minimum yield from such investments and the initial cash balance remaining uninvested, is fully sufficient at the time of the deposit and at all times subsequently, to pay the principal, interest and prior redemption premiums on the Refunded Bonds as the same become due and upon the redemption of the Refunded Bonds on _____ 1, 2004.

In compliance with the Comprehensive National Energy Policy Act of 1992 (H.R. 776) and Dividend Compliance Act of 1983, the Paying Agent is required to withhold a percentage of the payments of principal to individuals who fail to furnish valid Taxpayer Identification Numbers. A completed form W-9 should be presented with your Refunded Bond.

The CUSIP numbers have been assigned to this issue by Standard & Poor's Corporation and are included solely for the convenience of the bondholders. Neither the County nor the Paying Agent shall be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated in any redemption notice.

DATED on this _____, _____.

/s/ _____

Authorized Officer

(End of Form of Notice of Prior Redemption)

Section 30. (a) If the Project is undertaken, the Escrow Account shall be maintained by the County in an amount at the time of the initial deposit therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities, to pay the interest due in connection with the Refunded Bonds, both accrued and not accrued, as the same become due up to and including the redemption date for the Refunded Bonds; and to redeem, on such date (as set forth in the Escrow Agreement), the Refunded Bonds then outstanding, in accordance with the ordinance authorizing the issuance of the Refunded Bonds.

(b) Moneys shall be withdrawn by the Escrow Agent from the Escrow Account in sufficient amounts and at such times to permit the payment without default of interest due in connection with the Refunded Bonds, and in accordance with the provisions of the Escrow Agreement and the ordinance authorizing the issuance of the Refunded Bonds, shall cause the notice of defeasance and call for prior redemption of the then outstanding Refunded Bonds to be effected. Any moneys remaining in the Escrow Account after provision shall have been made for the redemption in full of the Refunded Bonds shall be applied to any lawful purpose of the County as the Board may hereafter determine.

Section 31. Because the Board has expressed in the preambles of this Ordinance that this Ordinance pertains to the sale, issuance and payment of the Bonds, this Ordinance may accordingly be adopted as if an emergency now exists, and may become effective at any time when an emergency ordinance of the County may go into effect. Consequently, pursuant to NRS 271.308, 271.475 and 244.095 through 244.115, final action shall be taken immediately, and this Ordinance shall be in effect from and after its publication by title and collateral statement as provided in this Ordinance.

Section 32. After this Ordinance is signed by the Chairman and attested and sealed by the County Clerk, this Ordinance shall be published by its title only, together with the names of the Commissioners voting for or against its passage, and with a statement that typewritten copies of such ordinance are available for inspection by all interested parties at the

office of the County Clerk, such publication to be made in the Reno Gazette Journal, a newspaper published and having general circulation in the County, at least once a week for a period of two weeks by two insertions, pursuant to NRS 244.100, and all laws thereunto enabling, such publication to be in substantially the following form:

(Form of Publication)

BILL NO. _____

ORDINANCE NO. _____

(of Washoe County, Nevada)

AN ORDINANCE AUTHORIZING THE ISSUANCE OF REGISTERED WASHOE COUNTY, NEVADA, SPECIAL ASSESSMENT DISTRICT NO. 21, LOCAL IMPROVEMENT REFUNDING BONDS, SERIES 2003 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$1,350,000 IN ORDER TO REFUND OUTSTANDING BONDS ISSUED FOR COLD SPRINGS VALLEY SEWER TREATMENT FACILITIES; PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE OF THE ORDINANCE.

PUBLIC NOTICE IS HEREBY GIVEN that typewritten copies of the above-numbered and entitled Ordinance are available for inspection by the interested parties at the office of the County Clerk of Washoe County, Nevada, at her office at the County Courthouse, Virginia and Court Streets, Reno, Nevada; and that said Ordinance was proposed by Commissioner _____ on September 16, 2003, and following a public hearing, was passed and adopted without amendment at a regular meeting held not more than 35 days after the close of the hearing, i.e., at the regular meeting on September 16, 2003, by the following vote of the Board of County Commissioners:

Those Voting Aye:

Jim Galloway
David Humke
Pete Sferrazza
Jim Shaw
Bonnie Weber

Those Voting Nay:

Those Absent:

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

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

DATED: _____, 2003.

/s/ David Humke
Chairman
Board of County Commissioners
Washoe County, Nevada

(SEAL)

Attest:

/s/ Amy Harvey
County Clerk

(End of Form of Publication)

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

Proposed on September 16, 2003.
Proposed by Commissioner GALLOWAY.
Passed on September 16, 2003.

Those Voting Aye:	Jim Galloway David Humke Pete Sferrazza Jim Shaw Bonnie Weber
Those Voting Nay:	<u>(NONE)</u>
Absent:	<u>(NONE)</u> <u>David E. Humke</u>

Chairman
Board of County Commissioners
Washoe County, Nevada

(SEAL)

Attest:

Nancy L. R. Chief Deputy
County Clerk

This ordinance shall be in force and effect from and after SEPTEMBER 26, 2003, the date of the second publication of such ordinance by its title only.

4. Justice Court
630 Greenbrae Drive
Sparks, Nevada

(c) By mailing a copy of the notice to each person, if any, who had 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.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Washoe County, Nevada, this September 16, 2003.

Dancy L. P. A., Chief Deputy

County Clerk

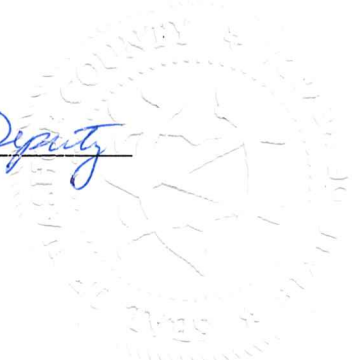


EXHIBIT "A"

(Attach Notice of September 16, 2003 Meeting)

CLERK - SHARON GOTCHY

COUNTY COMMISSIONERS

(1 LARGE + 5 SMALL)

COUNTY MANAGER

id Humke, Chairman
 Shaw, Vice-Chairman
 Jim Galloway
 Pete Sferrazza
 Bonnie Weber

Katy Singlaub

ASSISTANT
DISTRICT ATTORNEY

Madelyn Shipman

AGENDA**MEETING OF****WASHOE COUNTY BOARD OF COMMISSIONERS****COMMISSION CHAMBERS - 1001 E. 9th Street, Reno, Nevada****September 16, 2003**

NOTE: Items on the agenda without a time designation may not necessarily be considered in the order in which they appear on the agenda. Items may be moved to the Consent Agenda at the beginning of the Board Meeting.

The Washoe County Commission Chambers are accessible to the disabled. If you require special arrangements for the meeting, please call the County Manager's Office, 328-2000, 24-hours prior to the meeting.

An Agenda CAUCUS Meeting will be held in the Commission Caucus Room (1001 E. 9th St., 2nd Floor, Reno) on MONDAY, September 15, 2003 at 1:30 p.m. in order to review agenda items for the regular meeting of the Washoe County Board of Commissioners as described below. Said review, if requested by the Commission, is limited to brief staff presentation of issue and may include review of background information and questions to be answered at the regular meeting. The Commission, at the Caucus Meeting, may also consider possible items for placement on the September 23, 2003 Commission Agenda.

Public Comment: Limited to three minutes per person and limited to matters other than the agenda items that will be heard at the Commission Meeting. Persons are invited to submit comments in writing on agenda items and/or attend and make comment on that item at the Commission Meeting.

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 Board of Fire Commissioners for the Sierra Forest Fire Protection District 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) and on the County's website at www.co.washoe.nv.us.

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

16. Water Resources.

- A. Recommendation to execute Joint Funding Agreement between the County of Washoe and U.S. Department of the Interior, U.S. Geological Survey, concerning operation and maintenance of stream and precipitation gages associated with Flood Early Warning System from October 1, 2003 through June 30, 2005 [\$239,150 of which federal share is \$105,450, local share is \$133,700. Washoe County, Reno and Sparks contribute one-third each to local share. Washoe County's share is \$44,567 for the 21 months.].
- B. Recommendation to execute Agreement for Professional Consulting Services between the County of Washoe and Financial Consulting Solutions Group, Inc., concerning developing the financing program and analysis of the concept of single operating unit for the North Valleys, part of the North Valleys Water Supply Plan Implementation and Financing Program [not to exceed \$103,860]; execute Agreement for Consulting Engineering Services between the County of Washoe and ECO:LOGIC, concerning engineering services to develop phased improvement program of North Valleys Water Supply Plan Implementation and Financing Program [not to exceed \$87,970]; execute Interlocal Agreement between the County of Washoe and Truckee Meadows Water Authority (TMWA), concerning providing expenditures by TMWA to partially pay for North Valleys Water Supply Plan Implementation and Financing Program [\$47,958]; and if Interlocal Agreement is approved, authorize expenditure of \$47,957 (Washoe County's share) from Water and Sewer Enterprise Fund and \$95,915 from Regional Water Management Fund to partially pay for North Valleys Water Supply Plan Implementation and Financing Program.
17. Recommendation to consider possible sponsorship of the July 2008 National Association of Counties conference, and if desired, have Board Chairman send letter of support for the conference bid--Community Relations.
18. Recommendation for review of and possible comments on City of Reno adopted 2003-2009 Annexation Program and forward comments to City of Reno--Community Development.
19. Discussion and possible direction regarding 2002 Regional Plan Settlements and associated issues.
20. Introduction and adoption of an Ordinance authorizing the issuance of registered Washoe County, Nevada, Special Assessment District No. 21, Local Improvement Refunding Bonds, Series 2003 in the maximum aggregate principal amount of \$1,350,000 in order to refund outstanding bonds issued for Cold Springs Valley Sewer Treatment Facilities; providing for its adoption as if an emergency exists; and providing the effective date of the Ordinance.

EXHIBIT "B"

(Attach Affidavit of Publication of the Ordinance)