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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: **11/11/2005 - 11/18/2005**, for exact publication dates please see last line of Proof of Publication below.

Signed: _____

NOV 18 2005

Subscribed and sworn to before me



TANA CICCOTTI
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 02-75259-2 - Expires May 16, 2006

Proof of Publication

BILL NO. 1459 ORDINANCE NO. 1278 (of the Washoe County, Nevada) AN ORDINANCE DESIGNATED AS THE "2005 WATER AND SEWER BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE BY WASHOE COUNTY OF ITS FULLY REGISTERED GENERAL OBLIGATION (LIMITED TAX) WATER AND SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2005 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$65,000,000; FOR THE PURPOSE OF FINANCING THE FOLLOWING PROJECTS IN THE FOLLOWING APPROXIMATE PRINCIPAL AMOUNTS: LONGLEY LANE WATER TREATMENT FACILITY— \$5,000,000, HIDDEN VALLEY WATER SYSTEM—\$1,400,000, LEMMON VALLEY WATER SYSTEM—\$1,150,000, SOUTH TRUCKEE MEADOWS WATER TREATMENT FACILITY—\$41,000,000, SPANISH SPRINGS WATER SYSTEM—\$7,750,000, PLEASANT VALLEY INTERCEPTOR—, \$4,200,000, SPANISH SPRINGS WASTEWATER TREATMENT CAPACITY—\$2,000,000 AND OTHER WATER SYSTEM IMPROVEMENTS—\$2,500,000; PROVIDING DETAILS CONCERNING THE BONDS, THEIR FORM AND THEIR SALE; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BONDS; ADDITIONALLY SECURING

THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE OPERATION OF THE COUNTY'S UTILITY SYSTEM; PROVIDING FOR THE ADOPTION OF THE ORDINANCE AS IF AN EMERGENCY EXISTS. PUBLIC NOTICE IS HEREBY GIVEN, and that an adequate number of copies of the above-numbered and entitled Ordinance are available for public inspection and distribution at the office of the County Clerk of Washoe County, at her office in the County Courthouse, Reno, Nevada, and that such Ordinance was proposed by Commissioner Galloway on November 8, 2005, and was passed and adopted at a regular meeting of the Washoe County Board of County Commissioners on November 8, 2005, by the following vote of the Board of County Commissioners: Those Voting Aye: Jim Galloway Dave Humke Bob Larkin Pete Sferrazza Bonnie Weber Those Voting Nay: (none) Those Absent: (none) This Ordinance shall be in full force and effect from and after the 18th day of November, 2005, i.e., the date of the publication of such Ordinance by its title only. IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this Ordinance to be published by title only. DATED this November 8, 2005. /s/ Bonnie Weber (SEAL) Chairman, Washoe County Commission Washoe County, Nevada Attest: /s/ Amy Harvey, County Clerk No. 149818 November 11, 18, 2005

Summary- An ordinance authorizing the issuance by the Washoe County, Nevada of its General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005, and providing other matters relating thereto.

BILL NO. 1459

ORDINANCE NO. 1278

AN ORDINANCE DESIGNATED AS THE "2005 WATER AND SEWER BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE BY THE WASHOE COUNTY OF ITS REGISTERED GENERAL OBLIGATION (LIMITED TAX) WATER AND SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2005 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$65,000,000; FOR THE PURPOSE OF FINANCING THE FOLLOWING PROJECTS IN THE FOLLOWING APPROXIMATE PRINCIPAL AMOUNTS: LONGLEY LANE WATER TREATMENT FACILITY--\$5,000,000, HIDDEN VALLEY WATER SYSTEM--\$1,400,000, LEMMON VALLEY WATER SYSTEM--\$1,150,000, SOUTH TRUCKEE MEADOWS WATER TREATMENT FACILITY--\$41,000,000, SPANISH SPRINGS WATER SYSTEM--\$7,750,000, PLEASANT VALLEY INTERCEPTOR--, \$4,200,000, SPANISH SPRINGS WASTEWATER TREATMENT CAPACITY--\$2,000,000 AND OTHER WATER SYSTEM IMPROVEMENTS--\$2,500,000; PROVIDING DETAILS CONCERNING THE BONDS, THEIR FORM AND THEIR SALE; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE OPERATION OF THE COUNTY'S UTILITY SYSTEM; AND PROVIDING FOR ADOPTION OF THE ORDINANCE AS IF AN EMERGENCY EXISTS.

WHEREAS, the Washoe County, Nevada (the "County" and the "State," respectively), is a political subdivision of the State, a body corporate and a County organized and operating as a County created pursuant to Section 243.340 of the Nevada Revised Statutes ("NRS"); and

WHEREAS, the County now owns and operates a municipal water system and a municipal sewer system (collectively, the "Utility System"); and

WHEREAS, pursuant to the provisions of NRS § 244A.011 to 244A.065, inclusive (the "County Bond Law"), and NRS § 350.500 through § 350.720, and all laws amendatory thereof,

cited in § 350.500 thereof by the short title "Local Government Securities Law" (the "Bond Act"), the County is authorized to issue general obligation bonds additionally secured by pledged revenues of the Utility System for the purpose of defraying wholly or in part the cost of the acquisition, construction, improvement and equipment of water projects as defined in NRS 244A.056 and sewerage projects as defined in NRS 244A.0505 (the "Project"); and

WHEREAS, the Board of County Commissioners (the "Board") has determined and hereby determines that it is necessary and in the best interests of the County and its citizens to finance the Project; and

WHEREAS, after notice inviting bids for the purchase of the County's "General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005 " (the "Bonds"), the County's Finance Director as the Chief Financial Officer of the County (the "Finance Director"), or in his absence, the County Manager, as the Chief Administrative Officer of the County, is hereby authorized to receive bids and sell to the best bidder therefor (the "Purchaser"), and the Finance Director, or in his absence, the County Manager, is hereby authorized to accept a binding bid for the Bonds, the Bonds to bear interest at the rates per annum provided in the bond purchase proposal submitted by the Purchaser (the "Bond Purchase Proposal") such rates not to exceed three percent over the Index of Twenty Bonds most recently published in The Bond Buyer prior to the time bids were received for the Bonds, at a price equal to the principal amount thereof plus accrued interest to the date of delivery of the Bonds plus a premium or less a discount not to exceed 9 percent of the principal amount of the Bonds, all as specified by the Finance Director, or in his absence the County Manager, in a certificate dated on or before the date of the Bonds (the "Certificate of the Finance Director"); and

WHEREAS, the County has previously issued the following outstanding parity bonds payable, in part, from the net revenues of the Utility System and as defined herein as the 1997 Bonds and the 1997 Sewer Bond (collectively, the "Outstanding Parity Bonds"); and

WHEREAS, except as hereinabove provided, the County has never pledged nor in any way hypothecated the net revenues of the Utility System to the payment of any bonds or for any other purpose (other than securities which are no longer outstanding and unpaid or subordinate securities), with the result that such net revenues may also be pledged lawfully and irrevocably for

the redemption of the Bonds authorized by this ordinance, and they may be made payable from such net revenues; and

WHEREAS, the Board hereby elects to have the provisions of Chapter 348 of NRS (the "Supplemental Bond Act") apply to the Bonds; and

WHEREAS, the Board has determined and hereby declares:

It is necessary and for the best interests of the County to effect the Project and to issue the Bonds;

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

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 § 350.579(2), and this ordinance may accordingly be adopted as if an emergency exists and may become effective at any time when an emergency ordinance of the County may go into effect .

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

Section 1. Short Title. This ordinance shall be known and may be cited as the "2005 Water and Sewer Bond Ordinance" (herein the "Ordinance").

Section 2. Definitions. The terms in this section are defined for all purposes of this Ordinance and of any instrument amendatory hereof or supplemental hereto, and of any other

instrument or any other document relating hereto, except where the context by clear implication otherwise requires, and shall have the meanings herein specified:

(1) "1997 Bond Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Improvement and Refunding Bonds (Additionally Secured by Pledged Revenues), Series 1997, Bond Fund" created by the 1997 Bond Ordinance.

(2) "1997 Bond Ordinance" means the ordinance of the County authorizing the issuance of the 1997 Bonds.

(3) "1997 Bonds" means the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Improvement and Refunding Bonds (Additionally Secured by Pledged Revenues), Series 1997," issued pursuant to the 1997 Bond Ordinance.

(4) "1997 Sewer Bond" means the "Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 1997," issued pursuant to the 1997 Sewer Bond Ordinance.

(5) "1997 Sewer Bond Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 1997, Bond Fund" created by the 1997 Sewer Bond Ordinance.

(6) "1997 Sewer Bond Ordinance" means the ordinance of the County authorizing the issuance of the 1997 Sewer Bond.

(7) "2005 Bonds" or the "Bonds" means the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005" issued pursuant to this Ordinance.

(8) "2005 Bond Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005, Bond Fund" created herein.

(9) "Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds.

(10) "Bond Year" means the 12 months commencing on July 2, of any calendar year and ending on July 1 of the next succeeding calendar year.

(11) "Certificate of Finance Director" means the certificate executed by the Finance Director or, in his absence, the County Manager on or after the date of the sale of the Bonds and on or before the date of closing on the Bonds.

(12) "combined maximum annual principal and interest requirements" means the sum of the principal of and interest on the Outstanding Bonds and any other Outstanding designated securities payable from the Net Pledged Revenues, to be paid during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any Bond last becomes due at maturity or on a Redemption Date on which any Bond thereafter maturing is called for prior redemption, but excluding any reserve requirements to secure such payments unless otherwise expressly provided. Any such computation shall be adjusted as provided in Section 49 hereof, and shall be made by an Independent Accountant if expressly so required, otherwise shall be made by the Finance Director. For purposes of the Long Term Obligation Reserve Account created in Section 46 hereof, "combined maximum annual principal and interest requirements" means the sum of the principal of and interest on the Outstanding Bonds and any other Outstanding securities payable from the Pledged Revenues, whether or not such securities have a lien on the Pledged Revenues.

(13) "commercial bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation, including without limitation "trust bank" as herein defined.

(14) "Comparable Bond Year" means, in connection with any Fiscal Year, the Bond Year which commences in the Fiscal Year. For example, for the Fiscal Year commencing on July 1, 2005, the Comparable Bond Year commences on January 2, 2005, and ends on January 1, 2006.

(15) "Construction Account" means the special account designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005 Construction Account," created in § 25 hereof.

(16) "Cost of the Project" means all or any part designated by the Board for the cost of the Project, or interest therein, which cost, at the option of the Board, except as limited by

law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

(a) Preliminary expenses advanced by the County from money available for use therefor, or advanced by the Federal Government, or from any other source, with the approval of the Board;

(b) The costs in the making of surveys, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

(c) The costs of premiums on builders' risk insurance and performance bonds, or a reasonably allocable share thereof;

(d) The costs of appraising, printing, estimates, advice, services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help or other agents or employees;

(e) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bond and any other securities relating to the Project, and bank fees and expenses;

(f) The costs of contingencies;

(g) The costs of the capitalization with the proceeds of the Bonds or other securities relating to the Project of any Operation and Maintenance Expenses appertaining to the Project and of any interest on the bond or other securities relating to the Project for any period not exceeding the period estimated by the Board to effect the Project plus one year, of any discount on the bonds or such other securities, and of any reserves for the payment of the principal of and interest on the Bonds or such other securities, of any replacement expenses, and of any other cost of the issuance of the bonds or such other securities;

(h) The costs of amending any ordinance or other instrument authorizing the issuance of or otherwise appertaining to Outstanding bonds or other securities of the County;

(i) The costs of funding any medium-term obligations, construction loans and other temporary loans of not exceeding 10 years appertaining to the Project and of the incidental expenses incurred in connection with such loans;

(j) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements, and franchises;

(k) The costs of demolishing, removing or relocating any buildings, structures or other facilities on land acquired for the Project and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated; and

(l) All other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the Board including rebates to the United States under Section 148 of the Tax Code.

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

(18) "Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

(19) "Finance Director" means the duly appointed and acting Finance Director of the County.

(20) "Fiscal Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the State Legislature changes the statutory fiscal year relating to the County, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such notification, if any.

(21) "General Taxes" means general (ad valorem) taxes levied by the County against all taxable property within the boundaries of the County (unless otherwise qualified).

(22) "Gross Pledged Revenues" or "Gross Revenues" means all income and revenues derived directly or indirectly by the County from the operation and use and otherwise pertaining to the Utility System or any part thereof, whether resulting from repairs, enlargements, extensions, betterments or other improvements to the Utility System, or otherwise, and includes all revenues received by the County from the Utility System, including, without limitation, all fees, rates, and other charges for the use of the Utility System, or for any service rendered by the County in the operation thereof, directly or indirectly, the availability of any such service or the sale or other disposal of any commodity derived therefrom, but excluding any moneys borrowed and used for the

acquisition of capital improvements and any moneys received as grants, appropriations or gifts from the United States, the State or other sources, the use of which is limited by the grantor or donor to the construction of capital improvements for the Utility System, except to the extent any such moneys shall be received as payments for the use of the Utility System, services rendered thereby, the availability of any such service or the disposal of any such commodities. "Gross Revenues" shall also include all income or other gain from the investment of such income and revenues and of the proceeds of securities payable from Gross Revenues or Net Revenues.

(23) "Independent Accountant" means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under laws of the State, as from time to time appointed and compensated by the Board on the behalf and in the name of the County;

- (a) Who or which is, in fact, independent and not under the domination of the County;
- (b) Who or which does not have any substantial interest, direct or indirect, with the County, and
- (c) Who or which is not connected with the County as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the County.

(24) "Interest Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005, Interest Account" created herein.

(25) "Long Term Obligation Reserve Account" means special account designated "Washoe County, Nevada, Water and Sewer Bonds Long Term Obligation Reserve Account" created in Section 46 of this Ordinance.

(26) "Minimum Rate Stabilization Reserve" means at any time in each Fiscal Year an amount at least equal to one-sixth of the aggregate amount of the Operation and Maintenance Expenses of the Utility System for the Fiscal Year as fixed by the then current budget for that year, which minimum amount is required to be deposited, accumulated or reaccumulated, and maintained in the Rate Stabilization Account pursuant to § 47 hereof.

(27) "Net Pledged Revenues" or "Net Revenues" means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses.

(28) "Operation and Maintenance Expenses" or any phrase of similar import, means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining and repairing the Utility System, including, without limitation:

(a) engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the Utility System;

(b) fidelity bond and property and liability insurance premiums pertaining to the Utility System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Utility System;

(c) payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

(d) any general taxes, assessments, excise taxes or other charges which may be lawfully imposed upon the County, the Municipal Utility System, revenues therefrom or the County's income from or operations of any properties under its control and pertaining to the Utility System, or any privilege in connection with the Utility System or its operations;

(e) the reasonable charges of any Paying Agent or Registrar and any depository bank pertaining to the Bond or any other securities payable from Gross Revenues or otherwise pertaining to the Utility System;

(f) contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the Utility System or to the issuance of the Bond, or any other securities relating to the Utility System, including, without limitation, the expenses and compensation of any receiver or other fiduciary under the Bond Act;

(g) the costs incurred by the Board in the collection and any refunds of all or any part of Gross Revenues;

(h) any costs of utility services furnished to the Municipal Utility System;

(i) any lawful refunds of any Gross Revenues; and

(j) all other administrative, general and commercial expenses pertaining to the Utility System;

but excluding:

- (i) any allowance for depreciation;
- (ii) any costs of extensions, enlargements, betterments and other improvements, or any combination thereof;
- (iii) any reserves for major capital replacements, other than normal repairs;
- (iv) any reserves for operation, maintenance or repair of the Utility System;
- (v) any allowance for the redemption of any Bond or other security or the payment of any interest thereon or any prior redemption premium due in connection therewith;
- (vi) any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities, or any combination thereof, pertaining to the Utility System, or otherwise; and
- (vii) any liabilities imposed on the County for any ground legal liability not based on contract, including, without limitation, negligence in the operation of the Utility System.

(29) "Operation and Maintenance Fund" means the special account designated as the "Washoe County Municipal Utility System Operation and Maintenance Fund," heretofore created and authorized to be continued herein.

(30) "Ordinance" means this ordinance, designated in Section 1 hereof as the "2005 Water and Sewer Bond Ordinance."

(31) "Outstanding" when used with reference to the Bonds or any other designated securities and as of any particular date means all of the Bonds or any such other securities payable from the Pledged Revenues or otherwise relating to the Utility System, as the case may be, in any manner theretofore and thereupon being executed and delivered:

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

(b) Except any bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements to the date of maturity or to any Redemption Date shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided herein; and

(c) Except any bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

(32) "parity bonds" or "parity securities" means bonds or securities payable from the Pledged Revenues on a parity with the Bonds.

(33) "Paying Agent" means U.S. Bank National Association or any successor thereto under the terms of this Ordinance.

(34) "Person" means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State or any other body corporate and politic other than the County), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

(35) "Pledged Revenues" means all or a portion of the Gross Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification.

(36) "Principal Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005, Principal Account" created herein.

(37) "Purchaser" means the bidder designated by the Finance Director in the Certificate of the Finance Director.

(38) "Rate Stabilization Account" means the special and separate account designated as the "Washoe County, Nevada Water and Sewer System Rate Stabilization Account," created in § 47 of this Ordinance.

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

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

(41) "Registrar" means U.S. Bank National Association or any successor thereto under the terms of this Ordinance.

(42) "Regular Record Date" shall have the meaning designated in Section 14 hereof.

(43) "Special Record Date" shall have the meaning designated in Section 14 hereof.

(44) "subordinate bonds" or "subordinate securities" means bonds or securities payable from the Pledged Revenues subordinate and junior to the lien thereon of the Bonds.

(45) "Tax Code" means the Internal Revenue Code of 1986, as amended.

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

(47) "Utility Enterprise Fund" means the special account designated as the "Washoe County Municipal Utility Enterprise Fund," heretofore created and authorized to be continued herein.

(48) "Utility System" or "System" means the water and sewer system of the County, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County through purchase, construction or otherwise, and used in connection with such system of the County, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such system is from time to time extended, bettered or otherwise improved, or any combination thereof.

Other terms are defined in the preambles hereto and in the body of this Ordinance.

Section 3. Acceptance of Bond Purchase Proposal; Authorization of Official Statement. The Finance Director, or in his absence, the County Manager, is hereby authorized pursuant to NRS 350.165 to accept the Bond Purchase Proposal submitted by the best bidder, and execute the Bond Purchase Proposal and the Certificate of the Finance Director. In accordance with this Ordinance, the officers and employees of the County are hereby authorized to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limitation (a) the deeming final of the official statement (the "Official Statement") as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, and (b) the execution and delivery of the final Official Statement by the Finance Director with such changes or additions as such officer determines is necessary or appropriate, the approval of such changes or additions to be conclusively evidenced by the execution and delivery of the final Official Statement by such officer.

Section 4. Ratification. All consistent action taken previously by the Board and the officers of the County directed toward the Project and toward the issuance of the Bonds is ratified, approved and confirmed.

Section 5. Estimated Life of Facilities. The Board, on behalf of the County, has determined and does hereby declare:

(1) The estimated life or estimated period of usefulness of the property refinanced by the Project is not less than 30 years from the date the bonds were issued to finance such property; and

(2) The Bonds shall mature at such time or times not exceeding such estimated life or estimated period of usefulness.

Section 6. Necessity of Project and Bonds; Authorization of Project. It is necessary and in the best interests of the Board, its officers, and the inhabitants of the County, that the County effect the Project and defray wholly or in part the cost thereof by the issuance of the Bonds therefor; and it is hereby so determined and declared. The Board hereby authorizes the Project.

Section 7. Ordinance to Constitute Contract. In consideration of the purchase and the acceptance of the Bonds by those who shall own the same from time to time, the provisions

hereof shall be deemed to be and shall constitute contracts between the County and the owners from time to time of the Bonds.

Section 8. Bonds Equally Secured. The covenants and agreements set forth in this Ordinance to be performed on behalf of the County shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds of the issue over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 9. General Obligation. All of the Bonds, as to all Bond Requirements, shall constitute general obligations of the County, which hereby pledges the full faith and credit of the County for their payment. The Bonds, as to all Bond Requirements, shall be payable from General Taxes (except to the extent that other moneys, such as Pledged Revenues, are available therefor) as provided in this Ordinance.

Section 10. Pledged Revenues. The payment of the Bond Requirements of the Bonds is additionally secured by an irrevocable pledge of and by a lien (but not necessarily an exclusive lien) on the Gross Pledged Revenues, after provision is made for the payment of the Operation and Maintenance Expenses on a parity with the Outstanding Parity Bonds and any other parity securities hereafter issued.

Section 11. Limitations upon Security. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the County, except for the proceeds of General Taxes, the Net Pledged Revenues, and any other moneys pledged for the payment of the Bonds. No property of the County, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 12. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Ordinance or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board or County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of a penalty or otherwise, all such liability, if any, being

by the acceptance of the Bonds and as a part of the consideration of its issuance specially waived and released.

Section 13. Authorization of Bonds. For the purpose of providing funds to pay all or a portion of the Cost of the Project, the County shall issue its "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005", in the aggregate principal amount designated in the Certificate of the Finance Director not to exceed \$65,000,000.

Section 14. Bond Details. The Bonds shall be issued in fully registered form, i.e., registered as to both principal and interest, in compliance with § 149 of the Tax Code, and the regulations of the Secretary of the Treasury thereunder. The Bonds shall be dated as of the date of delivery of the Bonds, and except as otherwise provided in Section 18 hereof ("Custodial Deposit"), shall be issued in denominations of \$5,000 or 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 will be issued with more than one maturity). The Bonds shall bear interest from their date until their respective maturity dates at the respective rates set forth in the Certificate of the Finance Director, calculated on the basis of a 360-day year, payable semiannually on July 1 and January 1 of each year commencing on July 1, 2006; provided that those Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates set forth in the Certificate of the Finance Director from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. The Bonds shall mature in each of the designated amounts of principal and designated dates set forth in the Certificate of the Finance Director, not to exceed 30 years from the date of delivery of the Bonds.

The principal of 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 at the office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Except as otherwise provided in Section 18 hereof ("Custodial Deposit"), payment of interest on any Bond shall be made to the registered owner

thereof by check or draft mailed by 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 thereof, at his or her address as shown on the registration records kept by the Registrar as of the close of business on the 15th day of the calendar month next preceding each interest payment date (other than a special interest payment date hereafter fixed for payment of defaulted interest) (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the owner thereof as shown on the registration records of the Registrar as of the close of business on the Regular Record Date and shall be payable to the owner thereof, at his or her address, as shown on the registration records of the Registrar as of the close of business on a date fixed to determine the names and addresses of owners for the purpose of paying defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Bonds not less than 10 days prior thereto by first-class mail to each such owner as shown on the Registrar's registration records as of a date selected by the Registrar, 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 between the owner of such Bond and the Paying Agent. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

Section 15. Prior Redemption.

(1) Optional Prior Redemption. The Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after the dates set forth in the Certificate of the Finance Director, will be subject to redemption prior to their respective maturities, at the option of the County, on and after the dates set forth in the Certificate of the Finance Director, in whole or in part at any time, from any maturities selected by the County and by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each Bond, or portion thereof, so redeemed, accrued interest thereon to the redemption date, and a premium, if any, computed in accordance with the schedule set forth in the Certificate of the Finance Director (not to exceed 5 percent).

(2) Partial Redemption. In the case of Bonds in a denomination larger than \$5,000, a portion of such Bonds (\$5,000 or any integral 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. In the case of a partial redemption of Bonds of a single maturity, the Paying Agent shall select the Bonds to be redeemed by lot at such times as directed by the County (but at least 30 days prior to the redemption date).

(3) Mandatory Redemption. The Bonds, if any, set forth in the Certificate of the Finance Director (the "Term Bonds"), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As and for a sinking fund for the redemption of the Term Bonds, there shall be deposited into the Bond Fund on or before the dates set forth in the Certificate of the Finance Director, a sum which, together with other moneys available therein, is sufficient to redeem (after credit is provided below) on the dates set forth in the Certificate of the Finance Director, the principal amounts of Term Bonds as set forth in the Certificate of the Finance Director.

Not more than 60 days nor less than 30 days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of Term Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next principal payment date and give notice of such call as provided in this Section.

At the option of the County to be exercised by delivery of a written certificate to the Registrar not less than sixty days next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Term Bonds or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the County or, (ii) specify a principal amount of Term Bonds or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the

County on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the County determines. In the event the County shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the respective Term Bonds or portions thereof to be canceled, or in the event the Bonds are registered in the name of Cede & Co. as provided in Section 18 of this Ordinance, the certificate required by the first sentence of this paragraph shall be accompanied by such direction and evidence of ownership as is satisfactory to the Depository Trust Company.

(4) Redemption Notice. Unless waived by any owner of the Bonds to be redeemed, official notice of prior redemption shall be given by the Registrar on direction of the County, by mailing a copy of a notice of redemption by registered or certified mail as long as Cede & Co. or a successor nominee of a depository is the registered owner of the Bonds, and otherwise by first-class mail, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Municipal Securities Rulemaking Board and the registered owner of the Bond or Bonds to be redeemed at the address shown on the records of the Registrar. Failure to give such notice to the Municipal Securities Rulemaking Board and 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:

- a. the redemption date,
- b. the redemption prices,
- c. 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,
- d. 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
- e. 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.

The notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due prior to the redemption date and, if the redemption date is an interest payment date, on the redemption date shall be payable as herein provided for payment of interest. Accrued interest due on any Bond which is called for prior redemption on a date which is not an interest payment date will be paid at the time the principal of such Bond is paid. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

A certificate by the Registrar that notice of redemption has been given as provided in this section shall be conclusive as against all parties; and no owner whose Bond is called for redemption or any other holder of any Bond or any other person may object thereto or may object to the cessation of interest on the redemption date on the ground that he failed actually to receive or see such notice of call and redemption.

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

Section 16. Negotiability. Subject to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code - Investment Securities and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

Section 17. Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 18 hereof:

A. Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender 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 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 previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations, as provided in Section 14 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. Such transfers and exchanges of Bonds shall be without charge to the owner or any transferee, but the Registrar shall require the payment by the owner of any Bond requesting exchange or transfer, of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. The person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes (except to the extent otherwise provided in Section 14 hereof with respect to interest payments); and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the owner thereof or his legal representative. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the County may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

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

Section 18. Custodial Deposit.

A. Notwithstanding any contrary provision of Sections 14 to 17 hereof, the Bonds shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, 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 NRS § 104.8102(3), and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; 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 § 18(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 NRS § 104.8102(3) 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 The Depository Trust Company or such successor 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 § 18(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; or

(4) upon determination by the Board that a book-entry only system of registration is not beneficial to the County or the owners of the Bonds.

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 § 18(A) hereof, or in the case of designation of a new depository pursuant to clause (2) of § 19(A) hereof, 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) or (4) of § 18(A) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of § 18(A) hereof, 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 denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of § 14 hereof, registered in the names of such persons, and in such authorized 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 County, 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 hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the County, 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 § 18(A) hereof.

D. The County, 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 § 18(A) hereof in effectuating payment of the Bond Requirements of the Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

Section 19. Execution and Authentication.

A. Prior to the execution of any Bond by facsimile signature and pursuant to NRS 350.638, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Chairman, the Treasurer and the Clerk each shall file with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. The Bonds shall be approved, signed, and executed in the name of and on behalf of the County with the manual or facsimile signature of the Chairman, shall be countersigned and executed with the manual or facsimile signature of the Treasurer, and shall be countersigned, subscribed, and executed with the manual or facsimile signature of the Clerk.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

D. The Chairman, the Treasurer and the Clerk are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

Section 20. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of their execution shall be valid and binding obligations of the County, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Chairman, the Treasurer and the Clerk, at the time of the execution of a signature certificate relating to the Bonds, may each adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 21. Incontestable Recital. Pursuant to NRS 350.628, the Bonds shall contain a recital that they are issued pursuant to the Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 22. State Tax Exemption. Pursuant to NRS 350.710, the Bonds, their transfer and the income therefrom shall forever be and remain free and exempt from taxation by the

State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

Section 23. Bond Delivery. After registration by the Registrar and after their execution and authentication as provided herein, the Registrar shall cause the Bonds to be delivered to the Purchaser, upon payment being made in accordance with the terms of their sale.

Section 24. Bond Form. Subject to the provisions of this Ordinance, the Bonds shall be in substantially the following form:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

WASHOE COUNTY
GENERAL OBLIGATION (LIMITED TAX)
WATER AND SEWER BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2005

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated As of</u>	<u>CUSIP</u>
_____ % per annum	_____ 1, _____	_____, 2005	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

Washoe County, State of Nevada (the "County" and the "State", respectively) for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless called for earlier redemption), and to pay interest thereon on July 1 and January 1 of each year, commencing on July 1, 2006, at the interest rate per annum specified above, until the principal sum is paid or payment has been provided for or, if such payment date is not a business day, on the next succeeding business day. 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 the initial delivery of the series of bonds of which this Bond is one (the "Bonds"). The principal of this Bond is payable upon presentation and surrender hereof at the office of the County's paying agent for the Bonds or any successor (the "Paying Agent"), presently U.S. Bank National Association who is also now acting as the County's Registrar for the Bonds (the "Registrar"). Interest on this Bond will be paid on each interest payment date (or, if such date is not a business day, on the next succeeding business day) by check or draft mailed to the person in whose name this Bond or any predecessor bond is registered (the "registered owner") in the registration records of the County maintained by the Registrar, at the address appearing thereon, as of the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner as of the close of business on a special record date for the payment of any defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the

defaulted interest, and notice of the Special Record Date shall be given to the registered owner not less than ten (10) days prior thereto. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and the Paying Agent, as provided in the ordinance of the County Board of the County (the "Board") authorizing the issuance of the Bonds and designated in Section 1 thereof as the "2005 Water and Sewer Bond Ordinance", duly adopted by the Board (the "Ordinance"). All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar. If this Bond is not paid upon presentation at its maturity, interest at the rate specified above shall continue to be borne hereby until the principal hereof is discharged as provided in the Ordinance.

This Bond is one of a series of Bonds issued by the County upon its behalf and upon the credit thereof, for the purpose of acquiring, constructing, improving and equipping water projects and sewerage projects for the County (the "Project") under the authority of and in full compliance with the Constitution and laws of the State, and pursuant to the Ordinance.

This Bond is issued pursuant to the Nevada Revised Statutes ("NRS") §§ 244A.011 to 244A.065, inclusive, §§ 350.500 through 350.720, and all laws amendatory thereof designated in § 350.500 thereof as the Local Government Securities Law (the "Bond Act"); and pursuant to NRS chapter 348 (the "Supplemental Bond Law"). Pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to § 350.710 of the Bond Act, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

It is hereby certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of annual general (ad valorem) taxes ("General Taxes") against all the taxable property within the County sufficient to pay the principal of, interest on, and any prior redemption premiums due on this Bond (the "Bond Requirements") when the same become due (except to the extent other revenues are available therefor), subject to the limitations imposed by the Constitution and by the statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on the Bonds are additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation and use of, and otherwise pertaining to the Utility System of the County after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

The Bonds are equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien (but not necessarily an exclusive lien) upon the Net

Revenues on a parity with the County's Outstanding Parity Bonds and any other parity securities hereafter issued (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Utility System and having a lien thereon subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for the Bonds, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owners of the Bonds.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prior redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefit under the Ordinance, or be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

The Bonds are issuable solely in fully registered form in denominations of \$5,000 each or (subject to certain conditions) any integral multiple thereof, and are exchangeable for fully registered Bonds of the same maturity in equivalent aggregate principal amounts and in authorized denominations at the aforesaid office of the Registrar but only in the manner, subject to the limitations, and on payment of charges provided in the Ordinance.

This Bond is fully transferable by the registered owner 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. 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, on payment of the charges and subject to the terms and conditions as set forth in the Ordinance. The County and the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Ordinance with respect to Regular and Special Record Dates for the payment of interest.

**Unless this Bond 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 Bond 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.**

No transfer of this Bond shall be valid unless made on the registration records maintained at the principal office of the Registrar by the registered owner or his or her attorney duly authorized in writing.

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

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

IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this Bond to be executed in the name and on behalf of the County with the manual or facsimile signature of the Chairman, to be attested, signed and executed with a manual or facsimile signature of the County Clerk, has caused a manual or facsimile impression of the seal of the County to be affixed hereon, and has caused this Bond to be countersigned with the manual or facsimile signature of the County Treasurer, all as of _____, 2005.

WASHOE COUNTY, NEVADA

(Manual or Facsimile Signature)
Chairman

(Manual or Facsimile Signature)
Treasurer

(MANUAL OR FACSIMILE SEAL)

Attest:

(Manual or Facsimile Signature)
County Clerk

*

Insert only if issued as serial bonds pursuant to § 17(A) hereof.

**

Insert only if issued as book entry bonds pursuant to § 18 hereof.

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication for Bonds)

Date of authentication
and registration _____

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

U.S. BANK NATIONAL ASSOCIATION
as Registrar

By (Manual Signature)
Authorized Signatory

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

(Form of Assignment for Bonds)

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

Dated: _____

Signature Guaranteed:

Name of Transferee:

Address of Transferee:

Social Security or other tax
identification number of
Transferee:

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

NOTICE: TRANSFER FEES MUST BE PAID TO THE REGISTRAR IN ORDER TO TRANSFER OR EXCHANGE THIS BOND AS PROVIDED IN THE WITHIN-MENTIONED ORDINANCE.

(End of Form of Assignment for Bonds)

Section 25. Use of Bond Proceeds. The proceeds realized from the sale of the Bonds shall be set aside in a special account designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005 Construction Account" (the "Construction Account"), and shall be applied solely to defray wholly or in part the Cost of the Project, including without limitation the costs of issuing the Bonds and the costs of rebates to the United States under § 148 of the Tax Code, which the Board determines are necessary and desirable to and pertain to the Project. After the Project is complete and after all expenses have been paid or adequate provision therefor is made, any unexpended Bond proceeds remaining in the Construction Account shall be deposited into the Bond Fund and used to pay the principal of and interest on the Bonds.

Section 26. Permitted Investments; Use of Investment Gain. Any moneys in any account designated in this Ordinance and not needed for immediate use, may be invested or reinvested in any investments permitted under the laws of the State. For the purpose of any such investment or reinvestment, the securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 27. Completion of Project. The County, with the proceeds derived from the sale of the Bonds, shall proceed to complete the Project without delay and with due diligence to the best of the County's ability, as hereinabove provided.

Section 28. Prevention of Bond Default. Subject to the provisions of this Ordinance, the Treasurer shall use any Bond proceeds credited to the Construction Account, without further order or warrant, to pay the Bond Requirements as the same become due whenever and to the extent moneys otherwise available therefor are insufficient for that purpose, unless such Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and pertaining to the Project.

Section 29. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project, or any part thereof, or to the completion of the Project. The owner of any Bond shall in no manner be responsible for the application or disposal by the County or by any of its officers, agents and

employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 30. General Tax Levies. So far as possible, the Bond Requirements of the Bonds shall be paid from the Net Revenues. However, pursuant to NRS 350.596, the interest and principal falling due on the Bonds at any time when there are not on hand from the Net Revenues sufficient funds to pay the same shall be promptly paid when due from the Bond Fund or out of the General Fund of the County or out of any other funds that may be available for such purpose, including, without limitation, any proceeds of General Taxes. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available without replacement for the payment of such Bond Requirements on other than a temporary basis), and for the purpose of creating funds for the payment of the Bond Requirements, there are hereby created separate accounts designated respectively as the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues) Series 2005, Principal Account" (the "Principal Account") and the "Washoe County, Nevada, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues) Series 2005, Interest Account" (the "Interest Account" and collectively with the Principal Account, the "Bond Fund"). Pursuant to NRS 350.592 and 350.594, there shall be duly levied immediately after the issuance of the Bonds and annually thereafter, until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the County, including the net proceeds of mines, fully sufficient to reimburse such fund or funds for any such amounts, if any, temporarily advanced to pay such initial installments of principal and interest, and to pay the interest on the Bonds becoming due after such initial installment, and to pay and retire the Bonds as it thereafter becomes due as hereinabove provided, after there are made due allowances for probable delinquencies. The proceeds of such annual levies shall be duly credited to such separate accounts for the payment of such Bond Requirements. In the preparation of the annual budget or appropriation resolution or ordinance for the County, the Board shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the County, including, without limitation, the Bonds, subject to the limitation imposed by NRS 361.453 and

Section 2, art. 10, Nevada Constitution, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the County.

Section 31. Priorities for Bonds. As provided in NRS 361.463, in any year in which the total General Taxes levied against the property in the County by all overlapping units within the boundaries of the County may exceed the limitation imposed by NRS 361.453, and it shall become necessary by reason thereof to reduce the levies made by any and all such units, the reductions so made shall be in General Taxes levied by such unit or units (including, without limitation, the County and the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The General Taxes levied for the payment of such bonded indebtedness and the interest thereon shall always enjoy a priority over General Taxes levied by each such unit (including, without limitation, the County and the State) for all other purposes where reduction is necessary in order to comply with the limitation of NRS 361.453.

Section 32. Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept in the Principal Account and in the Interest Account, which accounts shall be used for no other purpose than the payment of principal and interest, respectively, as the same fall due.

Section 33. Use of General Fund. Any sums becoming due on the Bonds at any time when there are on hand from such General Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the County, reimbursement to be made for such general funds in the amounts so advanced when the General Taxes herein provided for have been collected, pursuant to NRS 350.596.

Section 34. Use of Other Funds. Nothing in this Ordinance prevents the County from applying any funds (other than General Taxes) that may be available for that purpose to the payment of the Bond Requirements as the same, respectively, mature, and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 350.598.

Section 35. Legislative Duties. In accordance with NRS 350.592, it shall be the duty of the Board annually, at the time and in the manner provided by law for levying other General Taxes of the County, if such action shall be necessary to effectuate the provisions of this Ordinance,

to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the Board shall require the officers of the County to levy, extend and collect such General Taxes in the manner provided by law for the purpose of creating funds for the payment of the principal of the Bond and the interest thereon. Such General Taxes, when collected shall be kept for and applied only to the payment of the principal of and the interest on the Bond as hereinbefore specified.

Section 36. Appropriation of General Taxes. In accordance with NRS 350.602, there is hereby specially appropriated the proceeds of such General Taxes to the payment of such principal and interest; and such appropriations will not be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and the interest on the Bond have been wholly paid.

Section 37. Pledge of Revenues. Subject only to the provisions of this Ordinance and on the terms and conditions set forth herein, there are hereby additionally pledged to secure the payment of principal of and interest on the Bonds in accordance with the terms and provisions of this Ordinance, all of the Net Pledged Revenues and all moneys and securities paid or to be paid or held or to be held in any account under this Ordinance (other than the Rebate Account) are hereby pledged to secure the payment of the Bond Requirements of the Bonds. This pledge shall be valid and binding from and after the date of delivery of the Bonds, and the moneys, as received by the County and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the County payable from Net Pledged Revenues, except as herein otherwise provided. The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the County (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 38. Utility Enterprise Fund. So long as the Bonds shall be Outstanding, as to any Bond requirements, the entire Gross Pledged Revenues, upon their receipt from time to time by the County, shall continue to be set aside and credited immediately to the Utility Enterprise Fund.

Section 39. Administration of Utility Enterprise Fund. So long as the Bonds shall be Outstanding, as to any Bond Requirements, each Fiscal Year the Utility Enterprise Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in Sections 40 through 48 hereof.

Section 40. Operation and Maintenance Fund. First, as a first charge on the Utility Enterprise Fund, from time to time there shall continue to be set aside in and credited to the Operation and Maintenance Fund, moneys sufficient to pay Operation and Maintenance Expenses as budgeted and approved in accordance with NRS 354.470 through 354.626, and all laws amendatory thereof, which statutory provisions are designated in section 354.470 thereof as the Local Government Budget Act (the "Budget Act"), and all laws supplemental thereto, as such expenses become due and payable, and thereupon they shall be promptly paid. Any surplus remaining at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses shall be transferred to the Utility Enterprise Fund and shall be used for the purposes thereof, as herein provided.

Section 41. Parity Bond Funds; 2005 Bond Fund. Second, from any moneys remaining in the Utility Enterprise Fund, i.e., from the Net Pledged Revenues, and concurrently with the payments required to be made by the ordinances authorizing the issuance of Outstanding Parity Bonds, into the 1997 Bond Fund, 1997 Sewer Bond Fund and any bond fund and reasonably required reserve account for parity securities hereafter issued, there shall be credited to the 2005 Bond Fund the following:

(1) Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding, except to the extent any other moneys are available therefor.

(2) Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay

the next maturing installment of principal of the Bonds then Outstanding, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of the Bonds then Outstanding, except to the extent any other moneys are available therefor.

The moneys credited to the 2005 Bond Fund shall be used to pay the Bond Requirements of the Bonds as such Bond Requirements become due.

Section 42. Rebate Account. Third, after the aforementioned deposits and from the Net Pledged Revenues, there shall be transferred and credited to a special and separate account hereby created and designated as the "Washoe County, General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues), Series 2005, Rebate Account" (the "Rebate Account") and to any other fund or account established for payment of amounts due the United States under § 148(f) of the Tax Code in connection with any parity securities in such amounts as are required to be deposited therein to meet the County's obligations under the covenant contained in § 62 hereof, in accordance with § 148(f) of the Tax Code. Such deposits shall be made at such times as are required by § 148(f) of the Tax Code and such covenant and amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and § 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Utility Enterprise Fund.

Section 43. Termination of Deposits. No payment need be made into the 2005 Bond Fund if the amounts in such fund total a sum at least equal to the entire amount of all of the Outstanding Bonds as to all Bond Requirements, to their respective maturities, and both accrued and not accrued, in which case moneys in those accounts in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to any such Bond Requirements as the same become due

and any moneys in excess thereof in those accounts and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the Board.

Section 44. Defraying Delinquencies. If at any time the County shall for any reason fail to pay into the 2005 Bond Fund or the Rebate Account the full amount above stipulated from the Net Pledged Revenues, then an amount shall be paid into such fund at such time, equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. If securities (other than the Bonds) are Outstanding any lien to secure the payment of which on the Net Pledged Revenues is on a parity with the lien thereon of the Bonds, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a reserve account therefor, then the moneys replaced in such reserve account shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bonds, as moneys become available therefor.

Section 45. Payment of Additional Bonds. Subject to the provisions hereinabove, but either concurrently or subsequent to the payments required herein, any moneys remaining may be used by the County for the payment of Bond Requirements of additional bonds or other additional securities payable from the Net Pledged Revenues and hereafter authorized to be issued in accordance with this Ordinance, including reasonable reserves for such securities and amounts required to be rebated to the United States for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Net Pledged Revenues and the pledge thereof for the payment of such additional securities shall be on a parity with or subordinate to the lien and pledge of the Bonds as herein provided. Payments for principal, interest and rebate accounts for parity securities shall be made concurrently with such payments required for the Bonds, but payments for the principal, interest and rebate accounts for additional subordinate securities shall be made after such payments required for the Bonds.

Section 46. Long Term Obligation Reserve Account. Fifth, from any moneys remaining in the Utility Enterprise Fund there shall be credited monthly to the Long Term Obligation Reserve Account (hereby created), commencing on July 1, 2006, at least an amount sufficient to accumulate an amount equal to the combined maximum annual principal and interest requirements in 60 substantially equal monthly installments. Monies in the Long Term Obligation

Reserve Account are not pledged for the payment of Bond Requirements of the Bonds and may be used:

a. If there are insufficient monies in the 2005 Bond Fund or any bond funds for any Outstanding securities payable from the Pledged Revenues, to pay principal of and interest on the Bonds or any Outstanding securities issued payable from the Pledged Revenues on a parity with or subordinate to the Bonds; and

b. If the Board, in its discretion, by motion or resolution, provides for a withdrawal from the Long Term Obligation Reserve Account for purposes of the Utility System.

After the balance in the Long Term Obligation Reserve Account initially has reached an amount equal to the combined maximum annual principal and interest requirements, if, at the beginning of any Fiscal Year, the amount accounted for in the Long Term Obligation Reserve Account is less than the combined maximum annual principal and interest requirements for the Fiscal Year, there shall be credited to the Long Term Obligation Reserve Account, in 12 substantially equal monthly installments commencing on the first day of the Fiscal Year, an amount at least equal to the remainder of the combined maximum annual principal and interest requirements for the Fiscal Year less the amount accounted for in that account at the beginning of the Fiscal Year. No payment need be made into the Long Term Obligation Reserve Account so long as the moneys therein shall then equal not less than the combined maximum annual principal and interest requirements. The moneys in the Long Term Obligation Reserve Account shall be accumulated or reaccumulated and maintained as a continuing reserve to be used only to prevent deficiencies in the bond funds for the Bonds and any Outstanding securities payable from the Pledged Revenues and as otherwise set forth above. If at any time the moneys credited to such bond funds are not sufficient to pay the Bond Requirements of the Bonds and any Outstanding securities payable from the Pledged Revenues, the County acting by and through the County Manager or the County Finance Director may requisition the additional moneys needed therefor, and thereupon such money shall be withdrawn from the Long Term Obligation Reserve Account and transferred to such bond funds. Any moneys accounted for in the Long Term Obligation Reserve Account which exceed the

combined maximum annual principal and interest requirements for the then current Fiscal Year may be transferred to and deposited in the Utility Enterprise Fund.

Section 47. Rate Stabilization Account. Sixth, from any moneys remaining in the Utility Enterprise Fund there shall be credited monthly to the Rate Stabilization Account (hereby created), commencing on July 1, 2008, an amount sufficient to accumulate the Minimum Rate Stabilization Reserve in 60 substantially equal monthly installments. For this purpose, in each Fiscal Year during such 60 month period the County will calculate the substantially equal monthly amount that would be sufficient to accumulate over the then remaining months in such 60 month period, an amount equal to the Minimum Rate Stabilization Reserve. In any Fiscal Year, the amount of the Minimum Rate Stabilization Reserve shall be determined based on that Fiscal Year's budget.

After the balance in the Rate Stabilization Account initially has reached an amount equal to the Minimum Rate Stabilization Reserve, if, at the beginning of any Fiscal Year, the amount accounted for in the Rate Stabilization Account is less than the Minimum Rate Stabilization Reserve for the Fiscal Year as stated in the budget therefor, there shall be credited to the Rate Stabilization Account, in 12 substantially equal monthly installments commencing on the first day of the Fiscal Year, an amount at least equal to the remainder of the Minimum Rate Stabilization Reserve for the Fiscal Year less the amount accounted for in that account at the beginning of the Fiscal Year. No payment need be made into the Rate Stabilization Account so long as the moneys therein shall then equal not less than the Minimum Rate Stabilization Reserve. The moneys in the Rate Stabilization Account shall be accumulated or reaccumulated and maintained as a continuing reserve to be used only to prevent deficiencies in the payment of the Operation and Maintenance Expenses resulting from the failure to deposit into the Operation and Maintenance Fund sufficient funds to pay such expenses as the same accrue and become due. If at any time the moneys credited to the Operation and Maintenance Fund are not sufficient to pay Operation and Maintenance Expenses, the County acting by and through the County Manager or the County Finance Director may requisition the additional moneys needed therefor, and thereupon such money shall be withdrawn from the Rate Stabilization Account and transferred to the Operation and Maintenance Fund. Any moneys accounted for in the Rate Stabilization Account which exceed the Minimum Rate Stabilization Reserve for the then current Fiscal Year may be transferred to and deposited in the Utility Enterprise

Fund.

Section 48. Use of Surplus Revenues. After the payments hereinabove required to be made by Sections 40 through 47 hereof are made, any remaining Pledged Revenues may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Operation and Maintenance Fund, to the 1997 Bond Fund, the 1997 Sewer Bond Fund, the 2005 Bond Fund, the Rebate Account, Long Term Obligation Reserve Account, Rate Stabilization Account and to each other security fund and reserve fund, if any, for the payment of any other securities payable from the Net Pledged Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided, for any one or any combination of lawful purposes relating to the Utility System, or otherwise, as the Board may from time to time determine, including, without limitation, the payment of any Bond Requirements of any bonds or other securities relating to the Utility System, general obligations or special obligations.

Section 49. Lien of Bonds. The Bonds authorized herein, subject to the payment of all necessary and reasonable Operation and Maintenance Expenses, constitute an irrevocable lien upon the Net Pledged Revenues, on a parity with the liens thereon securing the Outstanding Parity Bonds and any parity securities hereafter issued.

Section 50. Bond Equality. The Bonds and any parity securities heretofore or hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall be not entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any other such securities, it being the intention of the County that there shall be no priority among the Bonds and any such parity securities, regardless of the fact that they may be actually issued and delivered at different times.

Section 51. Issuance of Parity Lien Bonds.

A. Nothing herein, except as expressly hereinafter provided, shall prevent the issuance by the County of additional securities payable from Net Pledged Revenues and constituting a lien thereon on a parity with the lien thereon of the Bond, provided, however, that the following are express conditions to the authorization and issuance of any such parity securities:

(1) At the time of adoption of the instrument authorizing the issuance of the additional parity securities, the County shall not be in default in the payment of principal of or interest on the Outstanding Parity Bonds, the Bonds or any other parity securities.

(2) The Net Pledged Revenues (subject to adjustments as hereinafter provided) projected by the Finance Director or an independent accountant or consulting engineer to be derived in the later of (i) the Fiscal Year immediately following the Fiscal Year in which the facilities to be financed with the proceeds of the additional parity securities are projected to be completed or (ii) the first Fiscal Year for which no interest has been capitalized for the payment of any parity securities, including the parity securities proposed to be issued, will be sufficient to pay at least an amount equal to the principal and interest requirements (to be paid during that Fiscal Year) of the Outstanding Parity Bonds, the Outstanding Bonds, any other Outstanding parity securities and the parity securities proposed to be issued (excluding any reserves therefor).

B. In any determination of whether or not additional parity securities may be issued in accordance with the foregoing earnings test, consideration shall be given to any probable estimated increase or reduction in Operation and Maintenance Expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional parity securities.

C. In any determination of whether or not additional parity securities may be issued in accordance with the foregoing earnings test, the respective annual principal (or redemption price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

D. A written certificate or written opinion by the Finance Director, the County Engineer, an Independent Accountant, or consulting engineer that the foregoing earnings test is met shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver additional parity securities.

E. In connection with the authorization of any such additional securities, the Board may on behalf of the County adopt any additional covenants or agreements with the

holders of such additional securities; provided, however, that no such covenant or agreement may be in conflict with the covenants and agreements of the County herein and no such covenant or agreement may be materially adverse to the interests of the holders of the Bonds. Any finding of the Board to the effect that the foregoing requirements are met shall, if made in good faith, conclusively establish that the foregoing requirements have been met for purposes of this Ordinance.

Section 52. Subordinate Obligations Permitted. Nothing herein prevents the County from issuing additional bonds or other additional securities payable from the Net Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bond.

Section 53. Superior Obligations Prohibited. Nothing herein permits the County to issue additional bonds or additional securities payable from the Net Pledged Revenues and having a lien thereof prior and superior to the lien thereon of the Bonds.

Section 54. Use of Additional Bond Proceeds. The proceeds of any additional bonds or other additional securities (other than any funding or refunding securities) payable from the Pledged Revenues shall be used only to pay the cost of a project, including incidental expenses, for the betterment, enlargement, extension, other improvement and equipment of the Utility System, or any combination thereof.

Section 55. Issuance of Refunding Bonds.

A. At any time after the Bonds are issued and remain Outstanding, if the County shall find it desirable to refund any Outstanding Bonds or other Outstanding parity or subordinate securities, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the County's option upon proper call, unless the owner or owners of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Gross Revenues is changed (except as otherwise provided herein).

B. The refunding bonds or other refunding securities so issued shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any, and the owner or owners of the refunding securities shall be subrogated to all of the

rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

C. Any refunding bonds or other refunding securities payable from any Net Pledged Revenues shall be issued with such details as the Board may by ordinance provide, subject to the provisions of this section but without any impairment of any contractual obligation imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

D. If only a part of the Outstanding Bonds or other outstanding securities of any issue or issues payable from the Net Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

(1) Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Net Revenues is not raised to a higher priority than the lien thereon of the Bond or other securities thereby refunded; or

(2) Unless the lien on any Net Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

(3) Unless the refunding bonds or other refunding securities are issued in compliance with Section 51.

Section 56. Operation of the Utility System. The County shall at all times operate the Utility System properly and in a sound and economical manner and shall maintain, preserve and keep the Utility System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The County also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Utility System may be properly and advantageously conducted in conformity with standards

customarily followed by municipalities operating sewer systems and water systems of like size and character.

Except for the use of the Utility System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the Utility System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until all the Bonds have been paid in full, or unless provision has been made therefor as hereinafter provided.

Section 57. Payment of Taxes, Etc. The County shall pay or cause to be paid all taxes, assessments and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Utility System or any part thereof, or upon any portion of the Gross Revenues, when the same shall become due. The County shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Utility System or any part thereof, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The County shall not create or suffer to be created any lien or charge on the Utility System or any part thereof, or upon the Gross Revenues, except the pledge and lien created by this Ordinance for the payment of the Bonds and any outstanding parity or subordinate securities issued in accordance herewith, and except as herein otherwise permitted. The County shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Utility System or any part thereof, or upon the Gross Revenues. Nothing in this Ordinance requires the County to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

Section 58. No Competing Facilities. The County shall neither construct nor permit to be constructed other facilities or structures to be operated by the County separate from the Utility System and competing for Gross Revenues otherwise available for the payment of the Bonds or any other securities payable from Net Pledged Revenues; provided, however, that nothing in this Ordinance shall impair the police powers of the County or otherwise cause the County to violate any applicable law.

Section 59. Rate Covenant. The County shall charge against users or against purchasers of services or commodities pertaining to the Utility System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the County at least equal to the sum of:

A. an amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

B. an amount equal to the debt service due in such Fiscal Year on the then Outstanding Bonds and any Outstanding parity securities; and

C. any other amounts payable from the Net Pledged Revenues and pertaining to the Utility System, including, without limitation, debt service on any subordinate securities and any other securities pertaining to the Utility System, operation and maintenance reserves, capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate covenant is subject to compliance by the County with any legislation of the United States of America, the State or other governmental body, or any regulation or other action taken by the United States, the State or any agency or political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges collectible by the County for the use of or otherwise pertaining to, and all services rendered by, the Utility System.

Subject to the foregoing, the County shall cause all fees, rates and other charges pertaining to the Utility System to be collected as soon as reasonable and shall provide methods of collection and penalties to the end that the Gross Revenues shall be adequate to meet the requirements hereof.

Section 60. Covenant to Raise Fees, Rates and Other Charges. In the event that Pledged Revenues are not sufficient to pay, in each Fiscal Year, an amount equal to the sum of the annual principal and interest requirements on the Bonds and any other securities payable from the Pledged Revenues in the Comparable Bond Year and any amounts required to be accumulated from the Pledged Revenues in such Bond Year into any reserves for such securities, the County covenants to increase Utility System rates, fees and other charges for the payment of such principal,

interest and reserve requirements prior to the levy of General Taxes by the Board for such purposes. In calculating any increase in rates, fees and other charges necessary for the payment of such principal, interest and reserve requirements, the County may reduce such necessary increase by: (i) the amount on deposit in the Long Term Obligation Reserve Account in excess of the combined maximum annual principal and interest requirements for the Fiscal Year; and (ii) the amount on deposit in the Rate Stabilization Account in excess of the Minimum Rate Stabilization Reserve.

Section 61. Books of Record and Account. So long as any of the Bonds remain Outstanding, proper books of record and account shall be kept by the County, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Utility System and to all moneys pertaining thereto, including, without limitation, the Gross Revenues.

Section 62. Tax Covenant. The County covenants for the benefit of the owner 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 Bond if such action or omission (i) would cause the interest on the Bond to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), or (ii) would cause interest on the Bond 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 adjustment 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 63. Defeasance. When all Bond Requirements of a Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this 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 Federal Securities in which such amount wholly or

in part may be initially invested) to meet all Bond Requirements of the Bond, as the same become due to the final maturity of the Bond. 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 so needed to meet the schedule. For the purposes 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 64. Further Assurances. The Bonds, when duly executed and delivered for the purpose provided for in this Ordinance, shall constitute a warranty by and on behalf of the County for the benefit of the owners of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

Section 65. Owners Rights. An owner of the Bonds issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the County Bond Law and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as otherwise provided herein, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

Section 66. Owners Enforcement. Nothing herein affects or impairs the right of any owner of a Bond to enforce the payment of the Bond Requirements due in connection with his County or the obligation of the County to pay the Bond Requirements of the Bond to the owner thereof at the time and the place expressed in the Bond.

Section 67. Amendment of Ordinance. This Ordinance may be amended or supplemented by instruments adopted by the County, without receipt by the County of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or owners of 66% in aggregate principal amount of the Bonds and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding Bonds which may then be held or owned for the account of the County, but including such refunding securities as may be issued for the purpose

of refunding any of the Bonds if the refunding securities are not owned by the County. No such instrument shall permit:

- A. A change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon;
- B. A reduction in the principal amount of any Bond or the rate of interest thereon, without the unanimous consent of the owners of the then Outstanding Bonds; or
- C. A reduction of the principal amount or percentages or otherwise affecting the description of the Bonds or the consent of the owners of which is required for any modification or amendment; or
- D. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or
- E. The modification of, or other action which materially and prejudicially affects the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Whenever the County proposes to amend or modify this Ordinance under the provisions hereof, it shall cause notice of the proposed amendment to be mailed within 30 days to the insurer of the Bonds, if any, or each registered owner of each registered Bond. The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the County Clerk for public inspection.

Whenever at any time within one year from the date of such notice there shall be filed in the office of the County Clerk an instrument or instruments executed by the insurer of the Bonds, if any, or the owners of at least 66% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument; thereupon, but not otherwise, the Board may adopt the amendatory instrument and the instrument shall become effective.

Bonds authenticated and delivered after the effective date of any action taken as provided in this Section may bear a notation by endorsement or otherwise in form approved by the County as to the action. If any Bond so authenticated and delivered shall bear such notation, then upon demand of the owner of any Bond outstanding at such effective date and upon

presentation of his Bond, suitable notation shall be made on the Bond as to any such action. If the County so determines, a new Bond so modified as in the opinion of the County to conform to such action shall be prepared, registered and delivered and upon demand of the owner of any Bond then outstanding, shall be exchanged without cost to the owner of Bond then outstanding upon surrender of such Bond.

Section 68. Ordinance Irrepealable. After the delivery of the Bonds, the provisions of the Bond Act and of this Ordinance shall be a part of the irrevocable contract between the County and the owners of the Bonds issued hereunder.

Section 69. Delegated Powers. The officers of the County 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, if applicable, the statement of insurance thereon;

B. The execution of such certificates as may be required by the Purchaser relating to the signing of the Bonds, the deposit of the Bonds with The Depository Trust Company, the tenure and identity of the officials of the County, the assessed valuation of the taxable property in and the indebtedness of the County, the rate of General Taxes levied against the taxable property within the County, the delivery of the Bonds and the receipt of the bond purchase price, the exemption of interest on the Bonds from federal income taxation, the completeness and accuracy of any information provided the Purchaser in connection with the Bonds as of the date of delivery of the Bonds, and if it is in accordance with the facts, the absence of litigation, pending or threatened, affecting the validity of the Bond or affecting the completeness or accuracy of such information, the assembly and dissemination of financial and other information concerning the County and the Bonds; and

C. The execution of the Certificate of the Finance Director and the Continuing Disclosure Certificate.

Section 70. Impairment of Contracts. Nothing herein impairs the County's obligation of contracts with any Person in connection with the County, including, without limitation the Pledged Revenues, the Outstanding securities payable from any Pledged Revenues, the

instruments authorizing the Outstanding securities, the Project or any combination thereof. If any provision herein is inconsistent with any provision in any existing contract relating to the County so as to affect prejudicially and materially the rights and privileges thereunder, so long as the contract shall remain viable and in effect the provision therein shall control the inconsistent provision herein and the latter provision shall be subject and subordinate to the provision in the existing contract.

Section 71. Additional Securities. The County reserves the privilege of issuing at a later time or times, from time to time, any securities hereafter authorized by law (not herein designated for issuance), as moneys, if any, are needed for the project or projects for which such securities are authorized respectively to be issued.

Section 72. Replacement of Registrar or Paying Agent. 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, or if the Board determines that it is in the best interests of the County, the Board may, upon notice mailed to the owner of the Bonds 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 person or institution serve as both Registrar and Paying Agent hereunder, but the County shall have the right to have the same person or institution serve as both Registrar and Paying Agent.

Any successor by merger with the Registrar and Paying Agent is automatically appointed as Registrar and Paying Agent hereunder without any further action of the Board, as long as the successor otherwise is qualified to act as Registrar and Paying Agent pursuant to this section. Any County officer, bank, trust company or national banking association into which the Registrar and/or Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust business shall be the successor of the Registrar and/or Paying Agent under this Ordinance with the same rights, powers, duties and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 73. Continuing Disclosure Undertaking. The County covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the final Continuing Disclosure Certificate in substantially the form now on file with the County Clerk to be executed and delivered in connection with the delivery of the Bonds.

Section 74. Implied Repealer. All bylaws, orders, resolutions and ordinances, or parts thereof, in conflict with this Ordinance, are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 75. Authentication. This Ordinance, immediately on its passage and adoption, shall be recorded in the official records of the County kept for that purpose, shall be authenticated by the signature of the Chairman of the County, shall be attested by the County Clerk, and the seal of the County shall be affixed thereto.

Section 76. Publication of Adoption of Ordinance and Effective Date. This Ordinance pertains to the sale, issuance, and payment of the Bonds and shall be in effect from and after its publication as hereinafter provided. After the expiration of the 90-day petition period pursuant to NRS 350.020(3) at 5:00 p.m. on November 24, 2005, if no petition conforming to the requirements of NRS 350.020(3) is received by the Clerk, this Ordinance shall be signed by the Chairman, attested by the Clerk, and 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 of general circulation in the County, such publication to be in substantially the following form:

(Form of Publication of Adoption of Ordinance)

**BILL NO.
ORDINANCE NO.
(of the Washoe County, Nevada)**

AN ORDINANCE DESIGNATED AS THE "2005 WATER AND SEWER BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE BY WASHOE COUNTY OF ITS FULLY REGISTERED GENERAL OBLIGATION (LIMITED TAX) WATER AND SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2005 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$65,000,000; FOR THE PURPOSE OF FINANCING THE FOLLOWING PROJECTS IN THE FOLLOWING APPROXIMATE PRINCIPAL AMOUNTS: LONGLEY LANE WATER TREATMENT FACILITY--\$5,000,000, HIDDEN VALLEY WATER SYSTEM--\$1,400,000, LEMMON VALLEY WATER SYSTEM--\$1,150,000, SOUTH TRUCKEE MEADOWS WATER TREATMENT FACILITY--\$41,000,000, SPANISH SPRINGS WATER SYSTEM--\$7,750,000, PLEASANT VALLEY INTERCEPTOR--, \$4,200,000, SPANISH SPRINGS WASTEWATER TREATMENT CAPACITY--\$2,000,000 AND OTHER WATER SYSTEM IMPROVEMENTS--\$2,500,000; PROVIDING DETAILS CONCERNING THE BONDS, THEIR FORM AND THEIR SALE; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE OPERATION OF THE COUNTY'S UTILITY SYSTEM; PROVIDING FOR THE ADOPTION OF THE ORDINANCE AS IF AN EMERGENCY EXISTS.

PUBLIC NOTICE IS HEREBY GIVEN, and that an adequate number of copies of the above-numbered and entitled Ordinance are available for public inspection and distribution at the office of the County Clerk of Washoe County, at her office in the County Courthouse, Reno, Nevada, and that such Ordinance was proposed by Commissioner _____ on November 8, 2005, and was passed and adopted at a regular meeting of the Washoe County Board of County Commissioners on November 8, 2005, by the following vote of the Board of County Commissioners:

Those Voting Aye:

Jim Galloway
Dave Humke
Bob Larkin
Pete Sferrazza

Bonnie Weber

Those Voting Nay:

Those Absent:

This Ordinance shall be in full force and effect from and after the _____ day of November, 2005, i.e., the date of the publication of such Ordinance by its title only.

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

DATED this November 8, 2005.

/s/ Bonnie Weber

Chairman
Washoe County, Nevada

(SEAL)

Attest:

/s/ Amy Harvey

County Clerk
Washoe County, Nevada

(End of Form of Notice for Publication)

Section 77. Severability. If any section, paragraph, clause or provision of this Ordinance shall be for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall in no way effect any remaining provisions of this Ordinance.

Proposed on November 8, 2005.

Proposed by Board member Jim Galloway.

Passed on November 8, 2005, by the following vote of the Board:

Those Voting Aye:

Jim Galloway
Dave Humke
Bob Larkin
Pete Sferrazza
Bonnie Weber

Those Voting Nay:

None

Those Absent:

None

Bonnie Weber

Chairman

(SEAL)

Attest:

Amy Hawey
County Clerk

This Ordinance shall be in force and effect from and after the 8th day of November, 2005, i.e., the date of the second publication of such Ordinance by its title only.

STATE OF NEVADA)
) ss.
WASHOE COUNTY)

I, Amy Harvey, am the duly chosen and qualified County Clerk of the Washoe County (the "County"), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of an ordinance designated as the "2005 Water and Sewer Bond Ordinance", introduced by the County Board at a meeting of the County Board held on November 8, 2005 and passed by the County Board, as if an emergency exists, at a meeting of the County Board held on November 8, 2005.

2. The original of the ordinance has been approved and authenticated by the signatures of the Chairman of the Board and myself as County Clerk and has been recorded in the records of the Board kept for that purpose in my office, which records have been duly signed by the officers and properly sealed.

3. All members of the Board voted on the passage of the ordinance as set forth following the ordinance.

4. All members of the Board were given due and proper notice of such meeting. Pursuant to NRS § 241.020, Nevada Revised Statutes, written notice of the meetings including the time, place, location, and agenda of the meeting was given:

(a) By mailing a copy of the notice to each member of the Board;

(b) By posting a copy of the notice at the principal office of the Board, or if there is not a principal office, at the building in which the meeting is to be held, at the County's website, and at least three other separate, prominent places within the jurisdiction of the Board, to-wit:

(i) Washoe County Administration Complex
1001 East Ninth Street
Reno, Nevada

(ii) Washoe County Courthouse
Virginia and Court Streets
Reno, Nevada

(iii) Washoe County Library
301 South Center Street
Reno, Nevada

(iv) Justice Court
630 Greenbrae Drive
Sparks, Nevada

and

(c) 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.

5. A copy of such notice of the November 8, 2005 meeting as posted and mailed is attached hereto as Exhibit A. A copy of the affidavit of publication of the notice of adoption of the ordinance is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand this November 8, 2005.



County Clerk

Exhibit A

(Attach Copy of Notice of November 8, 2005 Meeting)

COUNTY COMMISSIONERS

Donnie Weber, Chairman
Bob Larkin, Vice-Chairman
Jim Galloway
David Humke
Pete Sferrazza

COUNTY MANAGER

Katy Singlaub

**ASSISTANT
DISTRICT ATTORNEY**

Melanie Foster

AGENDA

WASHOE COUNTY BOARD OF COMMISSIONERS

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

November 8, 2005

2:00 p.m.

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 or from the Consent Agenda at the beginning of the Board Meeting or may be voted on in a block.

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

Public Comment during the Commission Meeting on November 8, 2005 will be for all matters, both on and off the agenda, and be limited to three minutes per person. Additionally, public comment of three minutes per person will be heard during individual action items on the agenda. The Commission reserves the right to reduce the time or limit the total time allowed for public comment if more than 10 people request to speak during the comment period or on an agenda item. Persons are invited to submit comments in writing on the agenda items and/or attend and make comment on that item at the Commission meeting.

The County Commission can deliberate or take action only if a matter has been listed on an agenda properly posted prior to the meeting. During the public comment period, speakers may address matters not listed on the published agenda. The Open Meeting Law does not expressly prohibit responses to public comments by the Commission. However, responses from Commissioners to unlisted public comment topics could become deliberation on a matter without notice to the public. On the advice of legal counsel and to ensure the public has notice of all matters the Commission will consider, Commissioners may choose not to respond to public comments, except to correct factual inaccuracies, ask for County staff action or to ask that a matter be listed on a future agenda. The Commission may do this either during the public comment item or during the following item: “*Commissioners’/Manager’s Announcements, Requests for Information, Topics for Future Agendas and Statements Relating to Items Not on the Agenda”.

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, Bldg. A), 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, as 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 the 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 Street, Bldg. A, 2nd Floor, Reno, Nevada) and on the County's website at www.washoecounty.us.

14. Regional Parks and Open Space.

- A. Approve the North Valleys Regional Sports Complex Phase III Agreement between the County of Washoe and CFA, Inc., for the design and construction administration of Phase III improvements at North Valley's Regional Sports Complex [\$46,886]. (Continued from October 18, 2005 Commission Meeting.)
- B. Recommendation to approve the 2006 fee schedule for the Washoe County Golf Courses operated by the Department of Regional Parks and Open Space.
- C. Recommendation to renew 20-year Lease Agreement [\$1/year] between the County of Washoe and the City of Reno concerning City of Reno's use of a portion of Rancho San Rafael Regional Park as a sports complex facility.

15. Ordinances.

- A. First Reading of an Ordinance amending various provisions of Chapter 5 of the Washoe County Code to amend the method for determining the 12-month period under the Family Medical Leave Act (FMLA), provide a 60-day notification to all employees of the change from a calendar year to any 12-month period, and update the Washoe County Family and Medical Leave Policy to include changing the method for tracking 12 weeks of leave during any 12-month period (Human Resources).
- B. Adopt and execute an Ordinance designated as the "2005 water and sewer bond ordinance"; providing for the issuance by Washoe County of its registered general obligation (limited tax) water and sewer bonds (additionally secured by pledged revenues), series 2005 in the maximum aggregate principal amount of \$65,000,000; for the purpose of financing the following projects in the following approximate principal amounts: Longley Lane Water Treatment Facility--\$5,000,000, Hidden Valley Water System--\$1,400,000, Lemmon Valley Water System--\$1,150,000, South Truckee Meadows Water treatment facility--\$41,000,000, Spanish Springs Water System--\$7,750,000, Pleasant Valley Interceptor--\$4,200,000, Spanish Springs Wastewater Treatment capacity--\$2,000,000 and other water system improvements--\$2,500,000; providing details concerning the bonds, their form and their sale; providing for the levy and collection of annual general (ad valorem) taxes for the payment of the bonds; additionally securing their payment by a pledge of revenues derived from the operation of the county's utility system; and providing for adoption of the ordinance as if an emergency exists--Water Resources.

16. Management Services.

- A. Recommendation to accept the 2006 State Emergency Response Commission (SERC), Hazardous Materials Emergency Preparedness (HMEP) Planning (\$12,450.00) and Training (\$10,347.00) Grants in the total amount of \$22,797.00; direct Finance Department to make appropriate budget adjustments to Fiscal Year 2006/07; authorize

Exhibit B

(Attach Affidavit of Publication of Adoption of Bond Ordinance)

G:\WP\DOCS\03400\155 Water and Sewer Bonds\bondord3.doc