



Summary - An ordinance authorizing local improvement bonds for Washoe County, Nevada, Special Assessment District No. 4 (South Sun Valley) and providing other matters related thereto.

BILL NO. 894

ORDINANCE NO. 719

(of Washoe County, Nevada)

AN ORDINANCE CONCERNING WASHOE COUNTY, NEVADA, SPECIAL ASSESSMENT DISTRICT NO. 4 (SOUTH SUN VALLEY); DESIGNATED BY THE SHORT TITLE "SPECIAL ASSESSMENT DISTRICT NO. 4 (SOUTH SUN VALLEY) BOND ORDINANCE"; AUTHORIZING THE ISSUANCE OF REGISTERED LOCAL IMPROVEMENT BONDS, SERIES MARCH 1, 1987, FOR WASHOE COUNTY, NEVADA, SPECIAL ASSESSMENT DISTRICT NO. 4, IN THE PRINCIPAL AMOUNT OF \$775,000, TO FINANCE THE CONSTRUCTION OF A SEWER PROJECT, AND PROVIDING THE DETAILS AND SOURCE OF PAYMENT THEREOF AND OTHER DETAILS IN CONNECTION THEREWITH; ACCEPTING A BID OF FOR THE PURCHASE OF THE LOCAL IMPROVEMENT BONDS, SERIES MARCH 1, 1987; RATIFYING, APPROVING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN BY THE BOARD OF COUNTY COMMISSIONERS AND THE OFFICERS OF SAID COUNTY DIRECTED TOWARD THE ACQUISITION OF CERTAIN IMPROVEMENTS IN SAID DISTRICT AND THE ISSUANCE OF SAID LOCAL IMPROVEMENT BONDS AND EFFECTING THE PURPOSES OF THEIR ISSUANCE; AND BY DECLARING THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE AND PAYMENT OF THE BONDS, PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS, AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, the Board of County Commissioners (herein the "Board") of the County of Washoe (herein "County"), and State of Nevada, created Washoe County, Nevada, Special Assessment District No. 4 (South Sun Valley) (herein "District") and ordered the acquisition of sewer improvements and determined to defray a portion of the entire cost and expense of such sewer improvements by special assessments, according to benefits, against the benefited lots, tracts and parcels of land in said District; and

WHEREAS, the Board has by Ordinance No. 703, adopted October 28, 1986 (the "Assessment Ordinance"), levied assessments in the amount of \$1,240,961.55 against the property benefited by the improvements in said District, and at the close of the 30-day cash payment period on December 11 1986, there remained unpaid valid assessments in the aggregate amount of not less than \$936,924.55; and

WHEREAS, said unpaid valid assessments are payable in fifteen (15) substantially equal annual installments of principal, with interest in all cases on the unpaid and deferred installments from the effective date of the Assessment Ordinance, i.e., November 11, 1986 at a rate or rates which shall not exceed by more than 1% the effective interest rate on the bonds (which shall not exceed by more than 3% the "Index of Twenty Bonds" most recently published in the "Credit Markets" before the bids were received), both principal and interest being payable annually at the Office of the County Treasurer on November 11 in each year, commencing November 11, 1987; and

WHEREAS, the Board and the officers of the County have determined, and do hereby determine, that it is necessary and for the best interests of the County and the inhabitants hereof that the County issue its registered local improvement bonds in the aggregate principal amount of \$775,000, being an amount not exceeding the aggregate principal amount of such assessments as remained payable in installments at the close of the 30-day cash payment period; and

WHEREAS, the County advertised said bonds for public sale and received sealed bids for the purchase of such bonds on Tuesday, March 17, 1987 at the hour of 10:00 a.m., P.S.T., in the Washoe County Administrative Building, 1205 Mill Street, in Reno, Nevada; and

WHEREAS, the Board has determined that the best bid submitted at public sale was submitted by Prudential-Bache Securities of Denver, Colorado (herein "Purchaser"), for the principal amount thereof, accrued interest from the date of the bonds to the date of delivery and a premium of \$0.00, the bonds to bear interest at the interest rates herein designated, is the best proposal at public sale for the purchase of said bonds, and such proposal be, and the same hereby is, accepted; and

WHEREAS, the Board of the County hereby elects to have Chapter 348 of NRS apply to the bonds; and

WHEREAS, the Board has previously established a Local Improvement District's Special Surplus and Deficiency Fund (herein the "Surplus and Deficiency Fund") by a resolution, duly adopted on March 17, 1987, in accordance with NRS 271.428; and

WHEREAS, the Board has determined and does hereby declare:

(a) This ordinance pertains to the sale, issuance and payment of Special Assessment District No. 4 (South Sun Valley), Local Improvement Bonds;

(b) Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of NRS 271.475; and

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

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

Section 1. This ordinance shall be known as and may be cited by the short title "Special Assessment District No. 4 (South Sun Valley) Bond Ordinance" (herein this "Ordinance").

Section 2. All action, proceedings, matters and things heretofore taken, had and done by the County and the officers of the County (not inconsistent with the provisions of this Ordinance) concerning Special Assessment District No. 4 (South Sun Valley), including, but not limited to, the construction and other acquisition of the sewer improvements, the performing of all prerequisites to the levying of special assessments and to fixing the assessment lien against the property in Special Assessment District No. 4 (South Sun Valley), and the issuance and sale of its "Washoe County, Nevada, Special Assessment District No. 4 (South Sun Valley) Local Improvement Bonds, Series March 1, 1987", (herein "bonds") in the aggregate principal amount of \$775,000 be, and the same hereby is, ratified, approved and confirmed.

Section 3. The County be, and it hereby is, authorized, empowered and directed, and it shall be its duty to receive, collect and enforce the payment of all assessments made and levied for said improvements, and all installments thereof, all interest thereon, and all penalties accrued, as provided by law and in the same manner and at the same time or times as prescribed by the Assessment Ordinance and by this Ordinance, and to pay and disburse said payments, the installments thereof, the interest thereon, and the penalties thereto, to any person or persons lawfully entitled thereto.

Section 4. The Treasurer of Washoe County be, and he hereby is, authorized, empowered and directed, and it shall be his duty, to receive and collect all assessments levied to pay the cost of said improvements, the installments thereof, the interest thereon (at a rate to be hereafter determined), and the penalties accrued, at the time and in the manner specified in

the Assessment Ordinance, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same, in accordance with the ordinances and resolutions of the County heretofore or to be hereafter adopted. All moneys received from such assessments from and after December 11, 1986, the 30th day following the effective date of Assessment Ordinance both principal and interest, shall be placed in a separate fund to be designated "Washoe County, Nevada, Special Assessment District No. 4 (South Sun Valley) Bond Fund" (herein "Bond Fund"), and shall be used as soon as the funds are available for the purpose of paying the principal of and the interest and prior redemption premiums on the bonds and other bonds in an amount not exceeding \$158,000 hereafter issued, secured by such assessments, if any, and for no other purpose whatsoever, and as security for such payment, said Bond Fund is hereby exclusively pledged except as herein otherwise specifically provided. The Treasurer of Washoe County be, and he hereby is, also authorized, empowered and directed and it shall be his duty to receive and collect surplus local improvement district moneys, if any, pursuant to NRS 271.428 and to place all said surplus moneys in the County's Local Improvement District's Special Surplus and Deficiency Fund (herein the "Surplus and Deficiency Fund") as created by a resolution duly adopted on March 17, 1987 and to disburse therefrom said moneys for the payment of the interest on and the principal of the County's special or local improvement district bonds, including the bonds hereinbelow authorized, to the extent necessary, if necessary.

Section 5. If the owner of any lot, tract or parcel of land assessed for said improvements shall be delinquent as to either principal or interest, or both, it shall be the duty of the Board to cause the Purchaser as representative of the bondholders from time to time, and such delinquent person to be notified of such delinquency, in writing, and if such delinquency shall not be paid within 10 days after such notice shall have been given, the Board shall

forthwith foreclose the special assessment lien against the property or properties provided by law. If said foreclosure is not filed and prosecuted within a reasonable time, then any bondholder may file and prosecute a foreclosure action in the name of the County or may proceed against the County as provided in the Ordinance. All the net proceeds of collecting any delinquent assessment shall be deposited in the Bond Fund (or in the general fund of the County, to the extent provided in Section 9 hereof), and in any event in an amount of not less than the principal amount of said assessment and accrued interest thereon to the date of its collection.

Section 6. For the purpose of defraying a portion of the entire cost and expense of making said improvements (except to the extent funds are available therefor from that part of said assessments which have been heretofore paid and to the extent other funds are available therefor), there shall be issued in the name of Washoe County, the County's fully registered (i.e., registered as to payment of both principal and interest) special assessment bonds designated as the "Washoe County, Nevada, Special Assessment District No. 4 (South Sun Valley) Local Improvement Bonds, Series March 1, 1987", in the aggregate principal amount of \$775,000, which bonds shall be dated as of March 1, 1987 and shall be in the denomination of \$5,000 each or at the option of the original purchaser upon issuance of the bonds, or thereafter at the option of the holder thereof such bonds may be in any denomination which is an integral multiple of \$5,000 provided that no bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual bond will be issued for more than one maturity. Such bonds shall bear interest from the most recent interest payment date for which interest has been paid or duly provided for, or if no interest has been paid, from the date of the bonds, to their maturity or redemption date at the rates per annum hereinafter designated, payable on March 1, 1988 and annually thereafter on March 1 of each year. The bonds shall



bear interest and mature serially on March 1 in each of the designated years and amounts as follows:

<u>Principal Maturing</u>	<u>Interest Rate Per Annum</u>	<u>Years Maturing</u>
\$50,000	7.5%	1988
\$50,000	7.5%	1989
\$50,000	7.5%	1990
\$50,000	7.5%	1991
\$55,000	7.5%	1992
\$50,000	7.5%	1993
\$50,000	7.5%	1994
\$50,000	6.7%	1995
\$50,000	6.85%	1996
\$55,000	7.00%	1997
\$50,000	7.10%	1998
\$50,000	7.20%	1999
\$55,000	7.30%	2000
\$55,000	7.40%	2001
\$55,000	7.50%	2002

Total     \$775,000

The bonds shall be payable in lawful money of the United States of America without deduction for exchange or collection charges at the office of Valley Bank of Nevada in Las Vegas, Nevada (the "Registrar" or the "Paying Agent"). If, upon presentation at, or after maturity, payment of any bond is not made as herein provided, interest thereon shall continue at the same rate per annum until the principal thereof is paid in full.

The principal of and prior redemption premium due on any bond shall be payable to the registered owner thereof as shown on the registration books kept by the Registrar, upon maturity thereof and upon presentation and surrender of such bond at the Paying Agent. Payment of interest on any bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof at his address as it last appears on the registration books kept by the Registrar on the fifteenth day of



the calendar month preceding each interest payment date (the "Regular Record Date") or, a special record date is established by the Paying Agent for the payment of defaulted interest on such special record date. Other arrangements as may be mutually agreed to by the Paying Agent and any registered owner may be made for the payment of the interest. All such payments shall be made in lawful money of the United States of America.

Section 7. All of the bonds shall be subject to prior redemption at the option of the County (from any maturities may be made for the payment of interest and by lot within a maturity) on any interest payment date, at a price equal to the principal amount thereof, accrued interest to the redemption date and a premium of three percent (3%) of the principal amount so redeemed, whenever funds are available therefor. The prior redemption premium shall be paid from a 3% prepayment penalty for special assessments provided for in the Assessment Ordinance, provided, however, that nothing herein shall prevent the payment of any such redemption premium from any other funds available for that purpose. If less than all of the bonds or all bonds of a single maturity are being called, such bonds will be selected by the Paying Agent by lot giving proportionate weight to bonds in denominations larger than \$5,000 all in such manner as the Paying Agent may determine. Whenever considered advisable by the County Treasurer and whenever funds are available for such purpose (to the credit of the District), he may call a suitable amount of bonds of the District for payment. In the case of bonds of a denomination larger than \$5,000 a portion of such bond (\$5,000 or any integral multiple thereof) 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. Notice of redemption shall be given by the Paying Agent, in the name of the County by publication of such notice at least once at least 30 days prior to the redemption date, in a newspaper of general circulation in the

County, and a copy of such notice shall be sent by first class mail at least 30 days prior to the redemption date to the registered owner of the bonds to be redeemed and to the Purchaser. Such notice shall specify the number or numbers of the bonds to be redeemed (if less than all are to be redeemed) and the date fixed for redemption, and shall further state that on such redemption date there will become due and payable upon each bond (or installment) to be redeemed, the principal amount thereof, accrued interest to the redemption date and the designated premium, and that from and after such date interest will cease to accrue. After such notice has been given in the manner hereinbelow provided, the bond or bonds called for redemption shall become due and payable on the designated redemption date; and upon presentation thereof, the County will pay the bond or bonds called for redemption. A certificate by the Paying Agent that a notice of redemption has been given as herein set forth shall be conclusive and receipt by the bondholder of a notice of redemption shall not be a condition precedent to the redemption of that bond.

Section 8. The person in whose name a bond shall be registered on the registration books kept by the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes and payment of principal of, prior redemption premium due on, and interest on any bond shall be made only to or upon the written order of the registered owner thereof or his legal representative (except as provided above for the payment of interest to the registered owner as of the Regular or a Special Record Date). Such registration may be changed upon transfer of such bond in the manner and subject to the conditions and limitations provided herein. 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. A bond shall be fully transferable by the registered owner thereof in person or by his duly authorized attorney on the registration books kept at the office of the Registrar upon presentation of

the bond together with a duly executed written instrument of transfer satisfactory to the Registrar. The Registrar shall require the owner or transferee to pay any tax or other governmental charge required to be paid with respect to such transfer and a charge sufficient to reimburse itself for the cost of preparing and authenticating a new bond. The Registrar shall not be required to transfer any bond during the period of fifteen days next preceding any date on which any bonds are being selected for call for prior redemption, nor to transfer any bond after publication or mailing of notice calling such bond for redemption. No exchange charge shall be levied in the case of an exchange resulting from an optional redemption of a part of a bond.

Section 9. The bonds and the interest thereon shall be payable from the Bond Fund, containing the receipts upon the collection thereof from the special assessments levied against and secured by a lien upon the lots, tracts and parcels of land in the District. Whenever there is a deficiency in the special Bond Fund established pursuant to NRS 271.490, the deficiency must first be paid out of the County's surplus and deficiency fund (to the extent any money is available therein) before any payment is made out of the general fund of the County. In the event the Bond Fund shall be insufficient to pay the bonds and interest thereon as they become due, and the amounts, if any, in the surplus and deficiency fund are not sufficient for that purpose, the deficiency shall be paid out of the general fund of the County. In the event deficiencies are paid out of the general fund of the County, all net proceeds of collecting the delinquent assessments with respect to which such payments from the general fund of the County were required to be made shall be returned and deposited in the general fund of the County when the Washoe County, Nevada, Special Assessment District No. 4 (South Sun Valley), Local Improvement Bonds, Series March 1, 1987, both principal and interest, have been fully paid and discharged. If the general fund shall be

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

Section 10. Pursuant to NRS 271.515, the Chairman, the County Clerk and County Treasurer shall each file with the Secretary of State his or her manual signature certified under oath. Thereafter, each of said bonds shall be signed and executed in the name of the County with the manual signature of or an engraved, imprinted, stamped or otherwise reproduced facsimile of the signature of the Chairman and the County Treasurer, shall be attested with a manual or facsimile signature of the County Clerk, and each bond shall be authenticated by the manual signature of an authorized officer of the Registrar as hereafter provided. A manual impression of or a printed, engraved, stamped or otherwise placed facsimile of the seal of the County shall be affixed thereto. The bonds bearing the signatures of the officers in office at the time of the signing thereof, shall be the valid and binding obligations of the County, (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Any officer herein authorized or permitted to sign any bond at the time of its execution and of

the execution of a signature certificate, may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon the bond. No bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar, and such certificate of authentication of the Registrar upon any bond shall be the only competent evidence that such bond has been duly issued and delivered. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by the Registrar or by a duly authorized officer or employee of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the bonds issued hereunder. If any bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence or information relating thereto appropriate indemnification bonds, and such reimbursement for expenses as it may reasonably require, register and deliver to the registered owner thereof a replacement for such bond bearing the same number as the bond so replaced. If such lost, stolen, destroyed or mutilated bond shall have matured, the Registrar may direct the Paying Agent to pay such bond in lieu of replacement.

Section 11. Books for the registration and transfer of the bonds shall be kept by Registrar. Upon the surrender for transfer of any bond at the Registrar, duly endorsed for transfer or accompanied by an assignment (in form satisfactory to the Registrar) duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new bond or bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of bonds of the same maturity of other authorized denominations. The

Registrar shall authenticate and deliver a bond or bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. The Registrar shall require the owner or transferee to pay any tax or other governmental charge required to be paid with respect to such transfer and charge a fee sufficient to reimburse it for preparing and authenticating a new bond. Whenever any bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for replacement as provided herein, such bond shall be promptly cancelled and destroyed by the Paying Agent or Registrar, and a certificate of such destruction shall be prepared by the Paying Agent or Registrar.

Section 12. Subject to payment and the registration provisions hereof, the bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the holder or holders thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code -- Investment Securities.

Section 13. Pursuant to NRS 271.505, said bonds shall contain a recital that they are issued pursuant to Chapter 271, Nevada Revised Statutes, which recital shall conclusively impart full compliance with all of the provisions of the Consolidated Local Improvements Law, and all bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Section 14. Said bonds shall be in substantially the following form:

(Form of Bond)

Transfer of This Bond Other Than by Registration  
is Not Effective

UNITED STATES OF AMERICA

STATE OF NEVADA

COUNTY OF WASHOE

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

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

WASHOE COUNTY, NEVADA  
SPECIAL ASSESSMENT DISTRICT NO. 4 (SOUTH SUN VALLEY)  
LOCAL IMPROVEMENT BOND  
SERIES MARCH 1, 1987

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated as of</u>	<u>CUSIP Number</u>
_____ % per annum	March 1, _____	March 1, 1987	_____

Registered Owner

Principal Amount

Dollars

The County of Washoe, in the State of Nevada, for value received hereby promises, out of funds available for the purpose as hereinafter set forth, to pay to the registered owner hereof specified above or registered assigns the principal amount specified above on the maturity date specified above with interest hereon from the date of this bond, or from the most recent interest payment date to which interest has been paid, until maturity or prior redemption date at the percentage rate per annum specified above, said interest being payable commencing March 1, 1988, and annually thereafter on the first day of March in each year, both principal and interest being



payable in lawful money of the United States of America, without deduction for exchange or collection charges. The principal of this bond shall be payable to the registered owner (as shown on the registration books) at the office of Valley Bank of Nevada in Las Vegas, Nevada, (the "Paying Agent," "Transfer Agent" and "Registrar") upon presentation and surrender of this bond as it becomes due. The interest hereon shall be paid to the registered owner hereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to such registered owner at his address as it last appears on the registration books kept for that purpose by the Registrar on the 15th day of the calendar month immediately preceding such interest payment date or on a special record date established by the Registrar for the payment of defaulted interest. Alternative means of payment of interest may be used if mutually agreed to between the owner of this bond and the Paying Agent, as provided in the ordinance authorizing the issuance of this bond. If, upon presentation and surrender to the Paying Agent at maturity, payment of this bond is not made as herein provided, interest hereon shall continue at the same rate per annum until the principal hereof is paid in full.

This bond is one of a series subject to prior redemption in any order of maturity selected by the County at the option of the County of Washoe, Nevada, on any interest payment date at a price equal to the principal amount hereof, accrued interest to the redemption date and a premium of three percent (3%) of the principal amount hereof. If less than all of the bonds or portions thereof of a single maturity are being called for redemption such bonds are to be selected by the Paying Agent by lot as provided in the ordinance authorizing the issuance of the bonds. Redemption shall be made upon not less than 30 days' prior notice in the manner and upon the conditions provided in the ordinance authorizing the issuance of this bond.

The bond is one of a series of special assessment bonds, issued by the County of Washoe for Special Assessment District No. 4 (South Sun Valley), all of which are of like date and aggregate the total amount of SEVEN HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$775,000).

Pursuant to the ordinance authorizing said bonds reference to which is made for further details, the payment of the principal of and the interest on the bonds of the series of which this bond is one, shall be made from and as security for such payment there is pledged, a special fund designated "Washoe County, Nevada Special Assessment District No. 4 (South Sun Valley), Bond Fund," sometimes designated the "Bond Fund", containing the receipts upon the collection thereof from the special assessments levied against and secured by a lien upon the property specially benefited by said improvements in said Washoe County, Nevada, Special Assessment District No. 4 (South Sun Valley), and remaining unpaid from and after December 11, 1986, which fund is and shall continue to constitute a sinking fund for and be deemed specially appropriated to the full and prompt payment of said bonds and the interest thereon and possibly other bonds in any amount not exceeding \$158,000 and interest thereon, and shall be used for no other purpose whatsoever; provided, however, that in the event said fund shall be insufficient to pay said bonds and the interest thereon as they become due, and the moneys, if any, in the County's special surplus and deficiency fund are not sufficient for that purpose, the deficiency shall be paid out of the Washoe County general fund. If the general fund shall be insufficient to pay any such deficiency promptly, the Board shall levy, and it shall be its duty to levy, general (ad valorem) taxes upon all property in the County which is by law taxable for State, County and municipal purposes, without regard to any statutory tax limitation existing on or after May 14, 1965, and without limitation as to rate or amount, fully sufficient, after making due allowance for probable delinquencies, to provide for the

prompt payment of such bonds as they become due, both principal and interest, but subject to the limitation of Section 2 of Article 10 of the Constitution of the State. Said bonds and the interest thereon are payable solely from the assessments, the moneys, if any, in the County's special surplus and deficiency fund, the general fund, and general tax proceeds pledged to the payment thereof.

Said special assessments made and levied to defray said cost, with accruing interest thereon, constitute a lien upon and against the property upon which such assessments were made and levied from and after November 11, 1986 the effective date of the ordinance levying assessments for such Special Assessment District No. 4 (South Sun Valley).

It is hereby certified, recited and declared that all acts, conditions and things essential to the validity of this bond exist, have happened and have been done in due time, form and manner as required by law; that the total issue of said special assessment bonds of said County for said improvements and incidental expenses, including this bond, does not exceed the amount authorized by law nor the total unpaid special assessments levied to cover the cost of said improvements; that this bond is issued under the authority of the Consolidated Local Improvements Law, Chapter 271, Nevada Revised Statutes and that this bond is incontestable for any cause whatsoever.

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

The bonds of the series of which this is one are fully registered (i.e., registered as to payment of both principal and interest), and are issuable in denominations of \$5,000 and any

integral multiple thereof, provided that no bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual bond may be issued for more than one maturity. Upon surrender of any of such bonds at the Registrar with a written instrument satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, and receipt by the Registrar of the charges provided in the Ordinance authorizing this bond, such bond may, at the option of the registered owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of such bonds of the same maturity of other authorized denominations, subject to such terms and conditions as set forth in the ordinance authorizing the issuance of such bonds.

Except for the fifteen-day period preceding any date on which any portion of the bonds of the series of which this bond is one are being selected for call for prior redemption and except for any bond so called for redemption, this bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration books kept by the Registrar upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Registrar, and upon the payment of all charges required by such Registrar. Upon such transfer a new fully registered bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this bond, subject to such terms and conditions as set forth in the ordinance authorizing the issuance of this bond. The County, 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 making payment and for all other purposes.

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

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

(Manual or Facsimile Signature)  
Chairman

Countersigned:

(Manual or Facsimile Signature)  
County Treasurer

(MANUAL OR FACSIMILE SEAL)

Attested and Countersigned:

(Manual or Facsimile Signature )  
County Clerk

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

This is one of the bonds described in the above mentioned Ordinance and this bond has been duly registered on the registration books kept by the undersigned as Registrar for such bonds.

Date of redemption and  
Authentication: \_\_\_\_\_

VALLEY BANK OF NEVADA  
LAS VEGAS, NEVADA

By \_\_\_\_\_  
(Manual Signature)  
Authorized Officer

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

(Form of Assignment Provision)

ASSIGNMENT PROVISION

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

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

Signature Guaranteed

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Bank

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

Name of Transferee: \_\_\_\_\_  
Address of Transferee: \_\_\_\_\_  
Taxpayer Identification or  
Social Security Number(s): \_\_\_\_\_

(End of Form of Assignment)



## (Form of Legal Opinion Certificate)

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

The undersigned, County Clerk of the County of Washoe, does hereby certify that the following approving legal opinion of Messrs. Sherman & Howard, Attorneys at Law, Denver, Colorado:

(Attorneys' opinion is to be inserted in submargins, including a complimentary closing and "/s/ Sherman & Howard"),

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

IN WITNESS WHEREOF, the undersigned has caused to be hereunto set the manual or facsimile signature of the County Clerk of the County of Washoe, in the State of Nevada.

(Manual or Facsimile Signature)  
 County Clerk

(End of Form of Legal Opinion Certificate)

Section 15. When the bonds have been duly executed and authenticated, they will be delivered to the Purchaser on receipt of the agreed purchase price. The Registrar shall initially register the bonds in the name of the Purchaser or in the names of such transferees as the Purchaser may designate by a writing or writings satisfactory to the Registrar or any combination thereof as directed by the Purchaser. The funds realized from the sale of the bonds, including any investment income therefrom, shall be applied solely to defray the cost and expense of making said improvements (including without limitation, by repaying any interim financing incurred therefor); provided, however, that after said cost and expense are paid (excepting any portion to be paid with other than special assessment proceeds), any funds remaining from the sale of the bonds shall be deposited in the Bond Fund and used for the purposes therefor specified hereinabove in Section 4 of this Ordinance; and provided further, that all moneys received as accrued interest and premium at the time of delivery of any of the bonds shall be deposited into the Bond Fund to apply to the payment of interest next due on the bonds. The Purchaser, however, shall in no manner be responsible for the application by the County, or any of its officers, agents or employees, of any of the funds derived from the sale thereof or of any other funds herein designated.

Section 16. So long as any of the bonds remain outstanding, the County will keep or cause to be kept true and accurate books of records and accounts showing full and true entries covering the collection and disposition of said special assessments, as well as any delinquencies in the collection thereof, covering deposits in and disbursements from the Bond Fund, covering deposits in and disbursements from the special Surplus and Deficiency Fund, covering the redemption of the bonds, both principal and interest, and covering disbursements to defray the costs of said improvements, including incidental expenses; and the County will permit an inspection and

examination of all books and accounts at all reasonable times by any representative of any of the original purchasers of the bonds, including the registered owner of the single registered bond, if any.

Section 17. The officers of the County be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance, including without limiting the generality of the foregoing:

A. The printing of the bonds, including, without limitation, the printing of such additional blank bonds as shall be required by the Registrar, and the printing on each bond of a certified true copy of the bond counsel's approving opinion pertaining thereto; and

B. The execution of such certificates as may be reasonably required by the Purchaser, relating, inter alia, to the signing and registration of the bonds, the tenure and identity of the officials of the Board and the County, the delivery of the bonds, the designation of the Paying Agent and of the Registrar, the receipt of the purchase price for the bonds, the exemption of interest on the bonds from federal and state income taxation, and if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof. It shall be the duty of the proper officers of the County to hereafter take all action necessary for the County to comply with the provisions of Chapter 271, Nevada Revised Statutes, as hereafter amended and supplemented from time to time.

Section 18. Any holder of any one or more of the bonds, including the owner of the single registered bond, may, either at law or in equity, by suit, action, mandamus or other appropriate proceeding in any court of competent jurisdiction, protect the liens created by this Ordinance on the proceeds of said assessments, and may by suit, action, mandamus or other appropriate proceeding enforce and compel the performance of any duty imposed upon the County by the provisions of this Ordinance, or any ordinance heretofore adopted concerning the District, including without limiting the generality of the foregoing, the segregation of special assessments, the proper application thereof, and the appointment of a receiver. The failure of any bondholder to proceed shall not relieve the County or any of its officers, agents or employees of any liability for failure to perform any such duty.

Section 19. The County covenants for the benefit of the registered owners of the bonds that it will not make any use of the proceeds of the bonds, any funds reasonably expected to be used to pay the principal of or interest on the bonds, or any other funds of the County, and will not make any use of the facilities financed with the proceeds of the bonds which would cause interest on the bonds to become subject to federal income taxation under the Internal Revenue Code of 1986, as amended (the "Tax Code") (except for the alternative minimum tax imposed on corporations by section 55 of the Tax Code and except for the environmental tax imposed on corporations by section 59A of the Tax Code) or subject the County to any penalties under section 148 of the Tax Code, and that it will not take any action or omit to take any action with respect to the bonds, the proceeds thereof or any facilities financed thereby if such action or omission would cause the interest on the bonds to become subject to federal income taxation under the Tax Code (except for the alternative minimum tax imposed on corporations by section 55 of the Tax Code and except for the environmental tax imposed on

corporations by section 59A of the Tax Code) or subject the County to any penalties under section 148 of the Tax Code.

Section 20. The foregoing covenant contained in Section 19 hereof shall remain in full force and effect notwithstanding the defeasance of the bonds.

Section 21. All ordinances or resolutions, or parts thereof, in conflict with the provisions of this ordinance, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed, and this ordinance shall be irrepealable until the bonds and the interest thereon shall be fully paid, satisfied and discharged, as herein provided.

Section 22. This ordinance may be amended or supplemented by an ordinance or ordinances adopted by the Board, without the receipt by the County of any additional consideration, with the written consent of the registered owner of the single registered bond, if any, or the holders of seventy-five per cent (75%) of the bonds outstanding at the time of the adoption of such amendatory or supplemental ordinance, provided, however, that no such ordinance shall have the effect of permitting:

(a) An extension of the maturity of any bond authorized by this ordinance; or

(b) A reduction in the principal amount of any bond or the rate of interest thereon; or

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

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

Section 23. Pursuant to NRS 271.520, the bonds, their transfer, and the income therefrom, shall forever be and remain free and exempt from taxation by the State and any subdivision thereof.

Section 24. The Board of County Commissioners does hereby find and declare that the life of the improvements to be acquired with the proceeds obtained from the sale of the bonds shall be not less than the fifteen (15) year period during which the bonds mature.

Section 25. The Board of County Commissioners has expressed in the preambles of this ordinance that it pertains to the sale, issuance and payment of the Special Assessment District No. 4 (South Sun Valley) Bonds, that this ordinance may accordingly be adopted as if an emergency now exists, and may become effective at any time when an emergency ordinance of Washoe County may go into effect. Consequently, pursuant to NRS 271.475 and 244.095 through 244.115, final action shall be taken immediately, and this ordinance shall be in effect from and after its publication by title and collateral statement as herein provided.

Section 26. After this ordinance is signed by the Chairman of the Board of County Commissioners and attested and sealed by the County Clerk, this ordinance shall be published by its title only, together with the names of the Commissioners voting for or against its passage, and with a statement that typewritten copies of such ordinance are available for inspection by all interested parties at the office of the County Clerk, such publication to be made in the Reno Gazette-Journal, a newspaper published and having general circulation in the County, at least once a week for a period of two weeks by two insertions, pursuant to NRS 244.100, and all laws thereunto enabling, such publication to be in substantially the following form:

(Form of Publication)

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

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

(of Washoe County, Nevada)

AN ORDINANCE CONCERNING WASHOE COUNTY, NEVADA, SPECIAL ASSESSMENT DISTRICT NO. 4 (SOUTH SUN VALLEY); DESIGNATED BY THE SHORT TITLE "SPECIAL ASSESSMENT DISTRICT NO. 4 (SOUTH SUN VALLEY) BOND ORDINANCE"; AUTHORIZING THE ISSUANCE OF REGISTERED LOCAL IMPROVEMENT BONDS, SERIES MARCH 1, 1987, FOR WASHOE COUNTY, NEVADA, SPECIAL ASSESSMENT DISTRICT NO. 4, IN THE PRINCIPAL AMOUNT OF \$775,000, TO FINANCE THE CONSTRUCTION OF A SEWER PROJECT, AND PROVIDING THE DETAILS AND SOURCE OF PAYMENT THEREOF AND OTHER DETAILS IN CONNECTION THEREWITH; ACCEPTING A BID OF FOR THE PURCHASE OF THE LOCAL IMPROVEMENT BONDS, SERIES MARCH 1, 1987; RATIFYING, APPROVING AND CONFIRMING ALL ACTION PREVIOUSLY TAKEN BY THE BOARD OF COUNTY COMMISSIONERS AND THE OFFICERS OF SAID COUNTY DIRECTED TOWARD THE ACQUISITION OF CERTAIN IMPROVEMENTS IN SAID DISTRICT AND THE ISSUANCE OF SAID LOCAL IMPROVEMENT BONDS AND EFFECTING THE PURPOSES OF THEIR ISSUANCE; AND BY DECLARING THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE AND PAYMENT OF THE BONDS, PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS, AND PROVIDING THE EFFECTIVE DATE HEREOF.

Public Notice is hereby given that typewritten copies of the above-numbered and entitled ordinance are available for inspection by all interested parties at the office of the County



Section 27. If any section, paragraph, clause or other provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this ordinance.

Proposed on the 17th day of March, 1987.

Proposed by Commissioner McDowell.


Passed on the 17th day of March, 1987.

Ayes: Belie Williams  
Larry Beck  
Dianne Cornwall  
James Lillard  
Gene McDowell

Nays: None

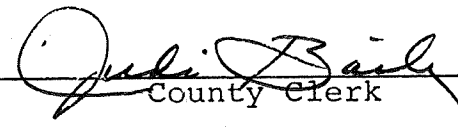
Abstentions: None

Absent: None

  
Chairman  
Board of County Commissioners  
Washoe County, Nevada

(SEAL)

Attest:

  
County Clerk

This ordinance shall be in force and effect from and after the 30th day of March, 1987, i.e., the date of the second publication of such ordinance by its title only.