

RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF INTENT, PROPOSING THE ISSUANCE OF, AND AUTHORIZING THE PUBLICATION OF NOTICES RELATING TO GENERAL OBLIGATION (LIMITED TAX) WATER AND SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING WATER AND SEWER PROJECTS FOR THE DISTRICT; PROVIDING THE MANNER, FORM AND CONTENTS OF THE NOTICES; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.**

**WHEREAS**, Indian Hill General Improvement District, Nevada (the "District") is a legally and regularly created political subdivision of the State of Nevada (the "State"), a body corporate and politic and organized as a general improvement district pursuant to Nevada Revised Statutes ("NRS") chapter 318 (the "Project Act"); and

**WHEREAS**, Board of Trustees (the "Board"), the governing body of the District, is authorized to furnish facilities for water and sewer as provided in NRS 318.144 and NRS 318.140; and

**WHEREAS**, pursuant to the Project Act and specifically NRS 318.144 and 318.140, the District is authorized to acquire, construct, reconstruct, improve, extend or better the water system and sewer system of the District (the "Utility System") or any part thereof (the "Project"); and

**WHEREAS**, pursuant to the Project Act and pursuant to chapter 350 of NRS and all laws amendatory thereof which includes the Local Government Securities Laws, being §§ 350.500 through 350.720, NRS, and all laws amendatory thereof, the District is authorized to borrow money and to issue general obligation bonds of the District for the purpose of defraying wholly or in part the cost of the Project; and

**WHEREAS**, the Board proposes to issue up to \$2,000,000 of its general obligation (limited tax) water and sewer bonds (additionally secured by pledged revenues) (the "Bonds") for the Project; and

**WHEREAS**, such Bonds will be additionally secured by a pledge of revenues of the Utility System of which the Project is a part, after the deduction of operation and maintenance expenses (the "Pledged Revenues"); and

**WHEREAS**, the Board hereby determines and ratifies the determination that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on such Bonds and the Commission (as defined below) has approved that determination; and

**WHEREAS**, the Board proposes to incur this general obligation without an election unless a petition signed by the requisite number of registered voters of the District is presented to the Board requiring the Board to submit to the qualified electors of the District for their approval or disapproval the following proposal:

**GENERAL OBLIGATION WATER AND SEWER BOND  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
PROPOSAL:**

**Shall the Board of Trustees of the Indian Hill General Improvement District in Douglas County, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation water and sewer improvement bonds (additionally secured by pledged revenues), in one series or more, in the aggregate principal amount of not exceeding \$2,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, reconstruction, improvement, extension or betterment of the District's water system and sewer system, as provided in NRS 318.144 and 318.140, the bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and any other moneys are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?**

(the "Proposal"); and

**WHEREAS**, the Board has submitted the Proposal to the Debt Management Commission of Douglas County (the "Commission"); and

**WHEREAS**, the Commission has approved the Proposal; and

**WHEREAS**, subsection 3 of NRS § 350.020 in effect provides that if the payment of a general obligation of the District is additionally secured by a pledge of the revenues of a project to be financed by its issue, and the governing body (i.e., the Board) determines that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal, the District may incur the general obligation without an election, unless a petition requesting an election signed by 5% of the registered voters is presented to the Board within 90 days after the publication of a notice of the adoption of this resolution of intent; and

**WHEREAS**, subsection 3 of NRS § 350.020 also requires that a public hearing be held before the Bonds are issued.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE INDIAN HILL GENERAL IMPROVEMENT DISTRICT, NEVADA:**

Section 1. This resolution shall be known as and may be cited by the short title "2006 Resolution of Intent to Issue Water and Sewer Bonds" (this "Resolution").

Section 2. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the Board directed:

- (a) Toward the Project to be financed by the Bonds; and
- (b) Toward the issuance of the Bonds to defray, in part, the cost thereof, be, and the same hereby is, ratified, approved and confirmed.

Section 3. The District and the officers of the District be, and they hereby are, authorized and directed to publish a notice of the adoption of the resolution of intent relating to the Board's proposal to issue the Bonds in a newspaper of general circulation in the District, at least once. Such notice to be published in substantially the following form:

(Form of Notice for Intent)

**NOTICE OF THE INTENT OF THE BOARD OF TRUSTEES OF THE INDIAN HILL GENERAL IMPROVEMENT DISTRICT, NEVADA TO ISSUE ITS GENERAL OBLIGATION (LIMITED TAX) WATER AND SEWER BONDS ADDITIONALLY SECURED BY PLEDGED REVENUES.**

NOTICE IS HEREBY GIVEN that the Board of Trustees of the Indian Hill General Improvement District, Nevada (the "Board" and the "District"), by a resolution, passed, adopted and approved on November 8, 2006 and designated in Section 1 thereof by the short title "2006 Resolution of Intent to Issue Water and Sewer Bonds" has proposed the issuance of the District's General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues) (the "Bonds") designated below, as follows:

**GENERAL OBLIGATION WATER AND SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:**

Shall the Board of Trustees of the Indian Hill General Improvement District in Douglas County, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation water and sewer improvement bonds (additionally secured by pledged revenues), in one series or more, in the aggregate principal amount of not exceeding \$2,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, reconstruction, improvement, extension or betterment of the District's water system and sewer system, as provided in NRS 318.144, the bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and any other moneys are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of

**bonds prior to maturity without or with the payment of a premium?**

(the "Proposal"); and

The above Proposal was approved by the Debt Management Commission of Douglas County, Nevada.

The Board has determined that the Bonds to be issued for the purpose of financing the District's water system and sewer system will be additionally secured by a pledge of the "pledged revenues," which include the revenues of the District's Utility System, after the deduction of operation and maintenance expenses. The Board has, in addition, determined, based upon a revenue study, that the pledged revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

Based upon this determination, the Board intends to incur this general obligation as set forth above without an election as provided in subsection 3 of Section 350.020, Nevada Revised Statutes, unless within ninety (90) days after the publication of this notice a petition requesting an election is presented to the Board signed by not fewer than five percent (5%) of the registered voters of the District. The number of registered voters is to be determined as of the close of registration for the last preceding general election.

At a meeting or meetings of the Board, the Board shall proceed to adopt an resolution or resolutions authorizing the issuance of the Bonds. Such resolution or resolutions authorizing the issuance of the Bonds will be effective unless prior to 5:00 p.m. on February 12, 2007, a petition is presented to the Board asking for an election upon the question of whether or not the proposed general obligations shall be incurred. The petition for an election herein referred to may be presented to the Board at any time prior to the expiration of ninety (90) days after the publication of this notice. In the event such petition is presented, no such resolution or resolutions shall be effective except pursuant to an election called and held for such purpose and carried by a majority of the votes cast. In the event no such petition is presented, the Bonds will be authorized as described above. The resolution or resolutions authorizing the Bonds will, in addition, contain provisions for additionally securing the payment of the general obligations by pledging the Pledged Revenues designated above and in the Proposal to the payment of the Bonds.

The authority to issue the Bonds if conferred at an election or if conferred by the fact no petition is presented to the Board requesting such an election within ninety (90) days of the date of publication hereof shall be deemed to be a continuing authority and the Board shall be authorized to sell the Bonds at such time or times and upon such terms and conditions as it deems proper in accordance with the provisions of the Proposal and the laws of the State of Nevada.

All persons interested are hereby advised that further information regarding the project to be financed by the Bonds, the Bonds and the revenues to be pledged to the Bonds, and all

proceedings in the premises, are on file in the office of the General Manager of the District, 3394 James Lee Park Road, #A, Carson City, Nevada and can be seen and examined by the interested persons during the regular office hours of the District.

The determination by the Board that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on the Bonds becomes conclusive on the last day for filing the petition, i.e., on February 12, 2007 at 5:00 p.m.

**BY ORDER** of the Board of Trustees of the Indian Hill General Improvement District, Nevada.

**DATED** this November 8, 2006.

**PUBLICATION DATE:** November 12, 2006

Attest:

/s/ Chuck Swanson  
Chairman

/s/ Laura Lau  
Secretary

(End of Form of Notice of Intent)

Section 4      The District Secretary is authorized and directed to publish once, at least 10 days before the date of the public hearing described in the following notice, in a newspaper of general circulation in the District a notice of public hearing, at least as large as 5 inches high by 4 inches wide, in substantially the following form:

(Form of Notice of Public Hearing)

**NOTICE OF PUBLIC HEARING ON THE INTENT OF THE BOARD OF TRUSTEES OF THE INDIAN HILL GENERAL IMPROVEMENT DISTRICT, NEVADA, TO ISSUE GENERAL OBLIGATION (LIMITED TAX) WATER AND SEWER BONDS.**

**NOTICE IS HEREBY GIVEN** that the Board of Trustees (the "Board") of the Indian Hill General Improvement District (the "District"), Nevada, by a resolution, passed, adopted, signed and approved on November 8, 2006, and designated in Section 1 thereof by the short title "2006 Resolution of Intent to Issue Water and Sewer Bonds" has proposed the issuance of the District's General Obligation (Limited Tax) Water and Sewer Bonds (Additionally Secured by Pledged Revenues) (the "Bonds") designated below, as follows:

**GENERAL OBLIGATION WATER AND SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:**

**Shall the Board of Trustees of the Indian Hill General Improvement District in Douglas County, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation water and sewer improvement bonds (additionally secured by pledged revenues), in one series or more, in the aggregate principal amount of not exceeding \$2,000,000 for the purpose of financing, wholly or in part, the acquisition, construction, reconstruction, improvement, extension or betterment of the District's water system and sewer system, as provided in NRS 318.144 and 318.140, the bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and any other moneys are available therefor), and to be issued and sold at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?**



(the "Proposal"); and

The above Proposal was previously approved by the Debt Management Commission of Douglas County, Nevada.

The District has determined that the Bonds to be issued for the purpose of financing the District's water system, will be additionally secured by a pledge of revenues as described in the Proposal (the "Pledged Revenues"). The District has, in addition, determined that the Pledged Revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

All persons interested are hereby advised that the Board will hold a public hearing on the Proposal on December 20, 2006 at 7:00 p.m. at the District's Board Room, 3394 James Lee Park Road, #A, Carson City, Nevada. All persons are invited to attend and to be heard regarding the Proposal. Further information regarding the Proposal, the Project to be financed by the Bonds, the Bonds and the revenues to be pledged to the Bonds, and all proceedings, are on file in the office of the General Manager of the District, 3394 James Lee Park Road, #A, Carson City, Nevada, and can be seen and examined by the interested persons during the regular office hours of the District.

BY ORDER of the Board of Trustees, Indian Hill General Improvement District,  
Nevada.

DATED this November 8, 2006.

PUBLICATION DATE: November 12, 2006.

Attest:

/s/ Chuck Swanson  
Chairman

/s/ Laura Lau  
Secretary

(End of Form of Notice of Public Hearing)

Section 5. A public hearing on the Bonds is hereby ordered to be held before the Board at the time, date and place specified in the Notice.

Section 6. The Bonds, in the event no petition is filed during the period allowed by NRS § 350.020(3), shall be authorized by an resolution or resolutions to be effective after the expiration of the above specified period of publication.

Section 7. The authority to issue the Bonds designated in the Proposal set forth in the notice shall be deemed and considered a continuing authority to issue and deliver the Bonds designated in such Proposal at one time or from time to time, in one series or in more than one series, all as ordered by the Board. Neither the partial exercise of the authority so conferred nor the lapse of time shall be considered as exhausting or limiting the full authority so conferred.

Section 8. The officers of the Board be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 9. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revive any resolution, or part thereof, heretofore repealed.

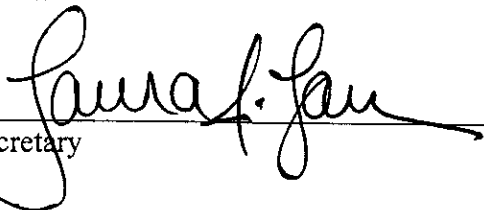
Section 10. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.


Section 11. This resolution shall become effective and be in force immediately upon its adoption.

PASSED AND APPROVED this November 8, 2006.

(SEAL)

Attest:

  
Secretary

  
Chairman



4. At least 3 working days before such meeting, such notice was mailed to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in the same manner in which notice is required to be mailed to a member of the Board.

**IN WITNESS WHEREOF**, I have hereunto set my hand of the Indian Hill General Improvement District, Nevada, this November 8, 2006.

  
District Secretary