

SPECIAL REFUNDING AGREEMENT

This Special Refunding Agreement ("Agreement") is made and entered into as of the Effective Date (defined below) by and between the CITY OF HENDERSON, a municipal corporation and political subdivision of the State of Nevada ("City"), and ASCAYA, INC., a Nevada corporation, f/k/a W.L. of Nevada, Inc. ("Developer").

RECITALS

- A. City is engaged in distributing potable water to customers within its corporate boundaries consistent with regulations set forth in the Henderson Municipal Code ("HMC"), and City rules, policies and procedures, as any of the foregoing is amended from time to time; and
- B. Developer, in connection with the construction of its residential development located near the intersection of Horizon Ridge Parkway and Roma Hills Drive in Henderson, Nevada, has designed and constructed certain potable Water Backbone Infrastructure to bring City water service from the original point of supply to the development area, including two (2) pumping stations, three (3) reservoirs, four (4) pressure-reducing stations, pipelines, and associated improvements, as more specifically described in Exhibit A attached hereto, (collectively, the "Facilities"); and
- C. HMC 14.16.050 provides a refunding mechanism for the orderly development of the water utility system through the refunding of eligible Water Backbone Infrastructure costs; and
- D. In accordance with HMC 14.16.050, Developer has made application to City's Director of Utility Services for a special refunding agreement for the repayment of eligible costs; and
- E. Developer caused its contractor to prepare the Original Report, 2008 Updated Report and Final Refunding Report (each defined below);
- F. City will provide for the refunding of eligible costs of the Facilities, as further set forth herein.

In consideration of the above recitals, mutual covenants and terms and conditions contained herein, the parties agree as follows:

AGREEMENT

1. **DEFINITIONS.** In addition to the terms defined elsewhere in this Agreement, as used in this Agreement, the capitalized terms below will have the following definitions:
 - 1.1 Department Service Rules: The document that contains, but is not limited to, the Department of Utility Services' rates, fees, charges and procedures, as amended from time to time.
 - 1.2 Effective Date: The date the Facilities were completed, tested and accepted by the City, which date is August 10, 2009.



SPECIAL REFUNDING AGREEMENT

- 1.3 Permit: Any applicable approval, permit, consent, waiver, exemption, variance, franchise, authorization, right, action, or license required from any federal, state, or local governmental authority, agency or other governmental body having jurisdiction over the matter in question (including City). Any specific reference to a Permit in this Agreement refers to the Permit as amended unless otherwise specified.
- 1.4 Property Rights: The rights and permissions to use real property, including but not limited to easements, rights of entry, conveyances, deeds, and certain Permits, such as a right-of-way grant issued by the United States of America through the Department of Interior, Bureau of Land Management (a "ROW Grant").
- 1.5 Special Refunding Area: The area that will be served by the Facilities, as described and depicted in Exhibit 3 to the Final Refunding Report (defined below).
- 1.6 Water Backbone Infrastructure: Infrastructure such as pump stations, reservoirs and all connecting pipelines, or as otherwise determined by the Director of Utility Services, that are used to transmit and distribute water to users or other facilities.

2. REFUNDING; FEES & EXPENSES.

- 2.1 Refunding Reports. On May 2, 2006, during its regular meeting through agenda item CA-28, the Henderson City Council approved the SR-006: Crystal Ridge Refunding Area Engineer's Report prepared by CVL Consultants, Inc. ("Original Report") and authorized City staff to prepare and execute a special refunding agreement. As a result of Developer reducing the number of single-family residential units from 472 to 300, the Original Report was updated; and, on July 1, 2008, during its regular meeting through agenda item CA-39, the Henderson City Council approved the SR-006: Crystal Ridge Water System Improvements Refunding Report Update prepared by CVL Consultants, Inc. ("2008 Updated Report"). That 2008 Updated Report was further updated by CVL Nevada, Inc. to identify developments in the Special Refunding Area, identify additional Water Backbone Infrastructure and incorporate the final audited costs in the "Refunding Report Update SR-006 Ascaya Backbone Potable Water System Improvements (Formerly Crystal Ridge) September 2018," attached hereto as Exhibit B and by this reference incorporated herein, ("Final Refunding Report"). That Final Refunding Report supersedes and replaces the 2008 Updated Report as the "refunding report" defined in HMC 14.01.010 and referenced in HMC 14.16.050. A copy of HMC 14.01.010 - Definitions, of HMC Chapter 14.03 - Water Regulations, and of HMC Chapter 14.16 - Refunding Regulations, in effect as of the Effective Date, is attached hereto as Exhibit C.
- 2.2 Basis of Refund. Costs that are eligible to be refunded back to Developer are identified in HMC 14.16.050 and the procedures and methodology for calculating and refunding those costs are described in the Final Refunding Report. The Final Refunding Report reflects a total Facilities cost of \$14,089,754.00 and a maximum total refundable amount of \$4,154,760.00 ("Refundable Amount"). As of the Effective Date, the proportional cost reimbursement for the Facilities is based on a maximum of 213 EDUs being allocated to other customers. In the



SPECIAL REFUNDING AGREEMENT

event that the density of any portion of the Special Refunding Area increases or decreases during the Refunding Period, the number of EDUs may change. In accordance with HMC 14.16.050.B.3, on July 1st of each year during the Refunding Period, the City will index and depreciate the then-remaining balance of the Refundable Amount. The term "EDU" has the meaning ascribed to the term "EDU" in HMC 14.01.010.

- 2.3 Refund Payments. In accordance with the 2008 Updated Report, City assessed a special refunding fee on customers who were to obtain direct or indirect service from the Facilities and collected \$1,379,370.50 ("SRFs Collected"), which amount reduces the Refundable Amount balance to \$2,775,389.50. By October 4, 2018, City will remit to Developer the SRFs Collected minus the costs identified in Section 2.5 below. In accordance with HMC 14.16.050 and the procedures and methodology described in the Final Refunding Report, City will assess a special refunding fee on each customer who will obtain direct or indirect service from the Facilities ("Special Refunding Fee"). Subject to the limitations set forth in this Agreement and in HMC Title 14 - Utility Service, City will then remit to Developer on a quarterly basis the Special Refunding Fee(s) collected by City during the Refunding Period. If City returns, or is obligated to return, to a customer a Special Refunding Fee collected from that customer, City will deduct that amount from any future refund to Developer or invoice Developer for such amount. Developer must pay that invoice within thirty (30) days of receipt.
- 2.4 Limits on Refund. Refund payments shall be made by City to Developer only from Special Refunding Fees assessed during the Refunding Period and received by City from customers in the Special Refunding Area whose properties are served by the Facilities. Under no circumstances will City be required to remit to Developer any amount except out of the Special Refunding Fees collected during the Refunding Period minus City fees and expenses described in Section 2.6 below and any fees that City collected and returned or is obligated to return.
- 2.5 Refunding Period. Developer completed construction of and tested the Facilities, and the City accepted them on August 10, 2009; therefore, in accordance with HMC 14.16.050.A.3 the period during which the Special Refunding Fees will be collected for the Facilities commenced on August 10, 2009 and shall expire twenty (20) years thereafter or the date City remits the entire Refundable Amount to Developer, whichever date is earlier, (the "Refunding Period"). After the Refunding Period expires, City will not assess, collect or remit to Developer any more Special Refunding Fees for any Facilities even if all of the proportional costs associated with Refundable Amount have not been remitted to Developer. If City for any reason does not receive a Special Refunding Fee(s) for the Facilities during the Refunding Period, then – upon the expiration of the Refunding Period – City's obligation to collect such fee(s) and/or remit them to Developer is extinguished.
- 2.6 City Fees and Expenses. Upon execution of this Agreement, City will deduct from the Developer's first refund payment, the total costs associated with the following fees and expenses presently due and owing to City:
- (a) Initiation fees for City administrative, legal, financial and utility staff services, in connection with the preparation of this Agreement in the



SPECIAL REFUNDING AGREEMENT

amount of \$950; and

- (b) Eligible cost auditing fees (but excluding services covered by plan checking and inspection fees) incurred by the City under its agreement with Innovative Contracting and Engineering, LLC in an amount not to exceed \$76,000.

Thereafter, City will deduct from any future refund to Developer any additional amounts reasonably required to cover City's administrative time to administer this Agreement and any other fees as outlined in HMC Title 14 or the Department Service Rules.

3. ACCEPTANCE OF FACILITIES; PROPERTY RIGHTS.

3.1 Acceptance. Following construction of the Facilities by Developer according to City-approved plans, specifications, and testing, Developer offered the Facilities to City for acceptance. City delivered to Developer a letter of acceptance dated August 10, 2009, and therefore the Facilities are property owned, maintained, and controlled by City as of that date.

3.2 [INTENTIONALLY OMITTED]

3.3 [INTENTIONALLY OMITTED]

3.4 Warranty. Developer warrants all Facilities against defects in materials and workmanship for a period of one (1) year, which one-year period began on August 10, 2009.

3.5 [INTENTIONALLY OMITTED]

4. TERM. This Agreement shall be effective on the Effective Date and terminate on the Refunding Period End Date or the date City remits all of the proportional costs of the Facilities based on the Refundable Amount to Developer, whichever date is earlier, (the "Term"). City will notify Developer that this Agreement has terminated, identify the event that triggered the termination, and confirm the date of termination. For purposes of this Section, the "Refunding Period End Date" means the date the Refunding Period expires.

5. INDEMNIFICATION. Developer agrees to protect, indemnify, defend and hold harmless City, its officials, officers, employees and agents, from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorney's fees, and court costs (collectively, "Losses") which may be suffered, sought against, recovered or obtained from City, or its officials, officers, employees or agents, arising out of or in connection with any alleged act or omission on the part of Developer in performing or failing to perform any of its obligations under this Agreement, except to the extent such Losses are directly caused by the gross negligence or willful misconduct of City. Developer's obligations under this Section survive termination of this Agreement.

SPECIAL REFUNDING AGREEMENT

6. GENERAL TERMS.

- 6.1 HMC Applicability. Developer acknowledges that this Agreement is subject to the HMC, as adopted on the Effective Date and as amended from time to time by City. The HMC applies to this Agreement, is binding on the parties, and supersedes any portion of this Agreement should a conflict arise.
- 6.2 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the substantive and procedural laws of the State of Nevada, without giving effect to its choice or conflicts of law provisions.
- 6.3 Venue. All actions shall be initiated in the courts of Clark County, Nevada or the federal district court with jurisdiction over Clark County, Nevada. Developer agrees that it shall not initiate an action against City in any other jurisdiction. Developer irrevocably agrees to submit to the exclusive jurisdiction of the courts located in Clark County, Nevada over any dispute or matter arising under or in connection with this Agreement.
- 6.4 Amendment. This Agreement may be modified or amended only by a written instrument signed by both City and Developer with the same formality as this Agreement.
- 6.5 Entire Agreement. Except as provided in Section 6.6 (Other Agreements) below, this Agreement constitutes the complete and exclusive statement of the agreement between City and Developer regarding the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, promises, proposals, negotiations, and understandings, whether written or oral, relating to this subject matter.
- 6.6 Other Agreements. Nothing contained in this Agreement shall be construed as affecting City's or Developer's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to Developer's development or operation under existing and future business licenses, which obligations are and shall remain independent of Developer's rights and obligations, and City's rights and obligations, under this Agreement.
- 6.7 Interpretation. Each party acknowledges that it has carefully reviewed this Agreement and that each fully understands and has participated in drafting its provisions, and, accordingly, the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party are not to be employed or used in any interpretation of this Agreement.
- 6.8 Assignment. Developer shall not assign, transfer, convey or otherwise dispose of this Agreement or its right, title, or interest in or to the same, or any part thereof, without prior written consent of City, such consent not to be unreasonably withheld, and any attempted assignment in violation hereof shall be void. No assignment is effective until after Developer's successor or assignee agrees in writing to assume all obligations and liabilities under this Agreement, Developer completes performance of any outstanding obligations that were to be completed



SPECIAL REFUNDING AGREEMENT

prior to the effective date of the assignment, and City consents in writing to such assignment, such consent not to be unreasonably withheld.

- 6.9 No Third Party Beneficiaries. This Agreement is intended only to benefit the parties hereto and their successors and assigns, shall not be deemed to be for the benefit of any other entity or person other than a party hereto or that party's successor or assign, and does not create any rights, benefits or causes of action for any other person, entity or member of the general public.
- 6.10 Performance of Acts on Business Days. Any reference in this Agreement to time of day refers to local time in Nevada. Unless specifically stated to the contrary, all references to days herein refer to calendar days. Any reference herein to a "business day" refers to a day that is not a Friday, Saturday, Sunday or legal holiday for State of Nevada or City governmental offices. If the final date for payment of any amount due or performance of any act required hereunder falls on a Friday, Saturday, Sunday or legal holiday, that payment may be made or act performed on the next business day.
- 6.11 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain valid and binding on the parties hereto. Any invalid or unenforceable provision will be deemed severed from this Agreement, and the balance of this Agreement will be construed and enforced as if it did not contain the particular invalid or unenforceable provision. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.
- 6.12 Authority. Developer represents that it has taken all actions as may be necessary or advisable and proper to authorize this Agreement, the execution and delivery of it, and the performance contemplated in it. The individual(s) executing this Agreement on behalf of Developer state and acknowledge that she/he/they are authorized and empowered to do so on behalf of Developer. Nothing contained herein shall be construed as creating any personal liability on the part of any officer or agent of City.
- 6.13 Headings; Exhibits; Cross References. The section titles contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement, nor should they be used to aid in any manner in the construction of this Agreement. All references in this Agreement to Sections, Subsections and Exhibits are to Sections, Subsections and Exhibits in this Agreement, unless otherwise specified. All Exhibits, and any attachments to an exhibit, are incorporated into and made a part of this Agreement. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural and the masculine gender includes the feminine gender. Unless otherwise expressly stated, words not defined herein shall be given their common and ordinary meaning.
- 6.14 Construction of the Word "Include" and Its Derivatives. When followed by an example, the words "include," "includes," and "including" are to be read as if they were followed by the phrase "without limitation."

SPECIAL REFUNDING AGREEMENT

- 6.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.
- 6.16 Notices. All notices required by this Agreement shall be in writing, reference CMTS #21069, and shall delivered by personal delivery, by a nationally-recognized-overnight-courier service, or by certified U.S. mail (postage prepaid, return receipt requested), and addressed to the receiving party at the address below:

If to City: City of Henderson
240 Water Street
Henderson, Nevada 89015
Attention: Director, Department of Utility Services

With a copy to: City of Henderson
240 Water Street
Henderson, Nevada 89015
Attention: City Attorney

If to Developer: Ascaya, Inc.
c/o CTF Development, Inc.
1155 Connecticut Avenue, N.W.
Suite 1200
Washington, DC 20036
Attention: General Counsel

Such notice will be deemed to have been received by the party to whom it was addressed on the date of delivery if delivered personally, on the date officially recorded as delivered (or delivery refused) according to the record of delivery if delivered by courier, or three (3) days after mailing. Either party may change its contact information for purposes of the Agreement by giving written notice to the other party in the manner set forth above.

- 6.17 Attorneys' Fees. If any action is instituted to interpret or enforce any of the provisions of this Agreement, the party prevailing in such action shall be entitled to recover from the other party thereto reasonable attorney's fees and costs of such suit (including both prejudgment and post judgment fees and costs) as determined by the court as part of the judgment.
- 6.18 Waiver of Jury Trial. Each of the parties hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of, in connection with, or relating to this Agreement.

[SIGNATURE PAGES FOLLOW]



SPECIAL REFUNDING AGREEMENT

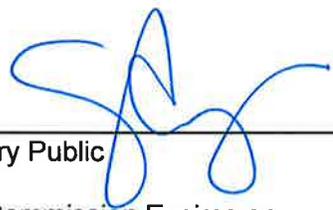
IN WITNESS WHEREOF, CITY and DEVELOPER have executed and delivered this Agreement as of the Effective Date.

DEVELOPER:

ASCAYA, INC.,
a Nevada corporation

By: 
Printed Name: BRADLEY D. HORNbacher
Printed Title: VICE PRESIDENT

This instrument was acknowledged before me on September 7, 2018, by Bradley D Hornbacher as V.P. of Ascaya, Inc., a Nevada corporation, f/k/a W.L. of Nevada, Inc.


Notary Public
My Commission Expires on 6/16/2020

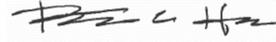
(SEAL)



SPECIAL REFUNDING AGREEMENT

CITY:

**CITY OF HENDERSON,
a municipal corporation and political
subdivision of the State of Nevada**

DocuSigned by:

By: Richard A. Derrick 10/29/2018
RICHARD A. DERRICK
City Manager/CEO

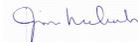
10/16/18
Date of City Council Action

ATTEST:

DocuSigned by:

 10/29/2018
SABRINA MERCADANTE, MMC
City Clerk

APPROVED AS TO FUNDING:

DocuSigned by:

Jim McIntosh 10/23/2018
JIM MCINTOSH
Chief Financial Officer

APPROVED AS TO CONTENT:

DocuSigned by:

Priscilla Howell 10/22/2018
PRISCILLA HOWELL
Director of Utility Services

APPROVED AS TO FORM:

DocuSigned by:

Nicholas G. Vasco 10/27/2018
NICHOLAS G. VASCOV
City Attorney

DocuSigned by:

Becky Kisse 10/23/2018
CAO
Review



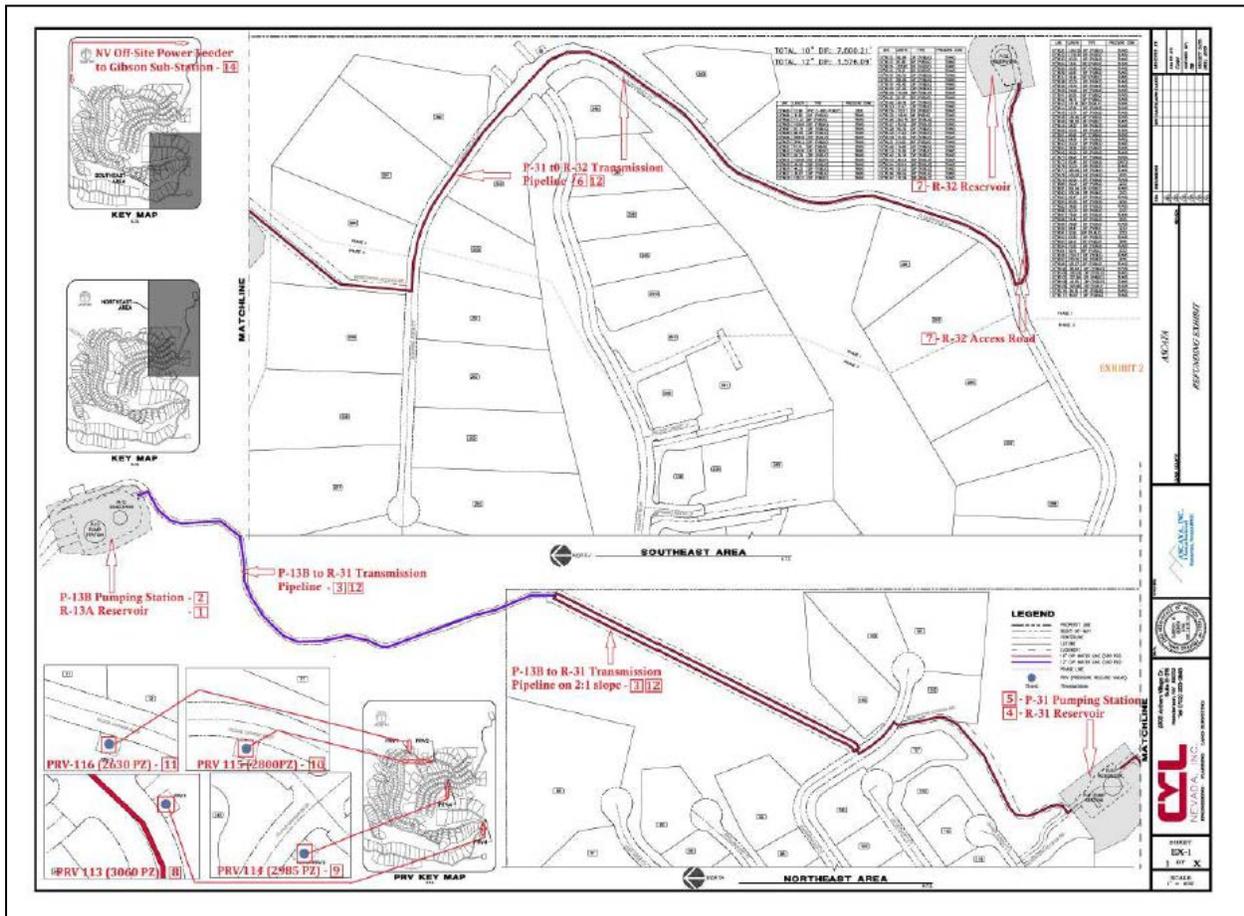
SPECIAL REFUNDING AGREEMENT

Exhibit A – Facilities

Facilities:

The Ascaya Backbone Potable Water improvements include the following facilities:

1. P-13B (new packaged pump station)
2. P-31 (new packaged pump station)
3. approximately 8,900 linear feet of 10-inch and 12-inch water main
4. R-13A (new above grade prestressed-concrete reservoir)
5. R-31 (new above grade prestressed-concrete reservoir)
6. R-32 (new above grade prestressed-concrete reservoir)
7. PRV-113 (new pressure reducing station)
8. PRV-114 (new pressure reducing station)
9. PRV-115 (new pressure reducing station)
10. PRV-116 (new pressure reducing station)



SPECIAL REFUNDING AGREEMENT

Exhibit B – Final Refunding Report

[SEE ATTACHED]



REFUNDING REPORT UPDATE

SR-006
ASCAYA BACKBONE POTABLE WATER SYSTEM IMPROVEMENTS
(Formerly Crystal Ridge)

September 2018

Prepared for:

City of Henderson
Department of Utility Services
240 S. Water Street
Henderson, NV 89015

Prepared by:

CVL Nevada, Inc.
2505 Anthem Village Dr., Suite E-215
Henderson, NV 89052

TABLE OF CONTENTS

Introduction 1

Purpose..... 2

Special Refunding Area..... 4

Site Location..... 4

Facilities 4

Refunding Program 10

Summary of Refund..... 11

APPENDICES

Henderson Municipal Code 14.16..... Appendix A

Unit Duty and EDU Table Appendix B

Sample Depreciation and Appreciation Table Appendix C

LIST OF TABLES

P-13B and P-31 and Transmission Pipeline Prorata Capacity Share by EDU’s..... 1

R-13A, R-31 and R-32 Reservoirs Prorata Capacity Share by EDU’s 2

PRV’s 113 to 116 Prorata Capacity Share by EDU’s 3

Facility Capital Costs/Percent Refunding.....4

Backbone Water System Improvements - Actual Capital Costs.....5

Detailed Actual Backbone Capital Construction Cost.....6

Equivalent Dwelling Unit (EDU) Cost Share Summary..... 7

LIST OF EXHIBITS

Location and Vicinity Map..... 1

Project Layout..... 2

Special Refunding Area..... 3

Pressure Zone Map and EDU count/location..... 4

INTRODUCTION

Ascaya (formerly known as Crystal Ridge) is a master planned community comprised of 313 single-family residential lots, located on approximately 665 acres in the City of Henderson, Clark County, Nevada as depicted on Exhibit 1. Ascaya is located in portions of Section 33, Township 22 South, and Range 62 East M.D.M.

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The City of Henderson adopted Ordinance No. 1440 (Special Refunding and Sewer Infrastructure) at the October 19, 1993, City Council meeting, which is now codified under Henderson Municipal Code ("H.M.C.") 14.16 created a mechanism for refunding costs associated with the design and construction of major backbone water and sewer infrastructure. Staff recommended to Council, and Council determined that this mechanism was necessary to help provide a funding source for the orderly design and construction of infrastructure for large undeveloped areas involving numerous developers. This ordinance allows the City to partner with private developers and participate in the design and construction of facilities at projected ultimate demand. The Ordinance outlines in general terms the conditions and requirements for refunding to developers/landowners and/or the City for the construction of water and sewer backbone infrastructure. One condition of the Ordinance requires that each Special Refunding Area have a Refunding Report submitted to the Council by the Director of Utility Services for approval. The Refunding Report must define the boundary of the Special Refunding Area, type and route of backbone structure to be included, methods of cost sharing, refunding amounts, depreciation schedules and any other information required by Council. This ordinance is not an assessment district. It is a precedent of things to come as developers/landowners and/or the City build infrastructure at a size and capacity well in excess of their needs. The developer/City building the oversized facilities is eligible for refunding subsequent to City acceptance of the constructed facilities and when additional developers/landowners utilize these facilities.

PURPOSE

This Refunding Report establishes the general methodology with which to equitably allocate the refunding costs for water infrastructure for the Special Refunding Area know as "Ascaya Backbone Water System Improvements (Formerly Crystal Ridge)." The amounts eligible for refunding will be determined and collected according to the methodology developed by this report. The City Council approved the SR-006 Crystal Ridge Refunding Area Engineer's Report on May 2, 2006, and City Council approved an updated Engineer's Report on July 1, 2008. A "Special Refunding Agreement" will be executed between the City and Developer for the projects identified in this Report. The costs included in this Refunding Report are the final construction costs, as identified in the Ascaya Backbone Potable Water System Improvements SR-006 Final Audit Report dated September 27, 2018, prepared by Innovative Contracting and Engineering.

This Refunding Report will outline the procedures that will enable Ascaya to front the costs of building water infrastructure needed to serve the area as projected by the current utility master plan for the 2630, 2800, 2985, 3060, and 3220 water pressure zones at a size and capacity in excess of its needs and sets in motion the mechanism to collect costs from other users that utilize these facilities. The method used must be fair and equitable to share in the cost of the infrastructure based on the proportionate benefit of that improvement.

The water infrastructure refunding will generally allocate costs based upon the following concepts:

1. Cost of infrastructure necessary to bring supply to the refunding area is allocated equally to all potential users based upon an Equivalent Development Unit (EDU) for unit duties and EDU's for Water Resource Planning (See Table 1).
2. Cost of infrastructure required for storage within the 3220 water pressure zones is equally distributed to all potential users within the zone based on Equivalent Development Unit (EDU) and EDU's for Water Resource Planning (See Table 2).
3. Cost of facilities required for pressure reduction is equally distributed to all potential users within the zone based on Equivalent Development Units (EDU) and EDU's for Water Resource Planning (see Table 3).

4. Refunding area is analyzed and ultimate build out demands estimated. Demand is allocated to the distinct pressure zone and backbone facilities. The zone is then reduced to the number of EDU's of demand within the zone. Property within the zone not included in this report would be charged the refunding amount per EDU at time of approval of final map or improvement drawings, whichever occurs first. Funds collected from these users are refunded back to the developer that constructed the facility upon City acceptance of the constructed facilities. The term of any special refunding agreement shall be twenty years, which will commence on the date the infrastructure covered by the special refunding agreement is completed, tested, and accepted by the city.

5. The City of Henderson collects the total refunding amount from other developers, as stated above and refunds to Ascaya in accordance with H.M.C. 14.16. The total facility cost is indexed to reflect inflation. The depreciation schedule is based on the following replacement schedule for the facilities as listed below:

Pumping Stations	25 years
Reservoirs	25 years
Pressure Reducing Stations	25 years
Pipeline	50 years

Total backbone facility refunding cost is calculated per HMC 1416.050.5.(a-f). All projects are reviewed and approved by the City prior to advertising and awarding a project for construction.

SPECIAL REFUNDING AREA

Site Location

The Special Refunding Area for SR-006 Ascaya Water System Improvements is located in the southern section of the City of Henderson, more particularly described as a parcel in Township 22 South, Range 62 East, MDM, Clark County, Nevada. The Special Refunding Area for the Ascaya Water System Improvements is depicted on Exhibit 3.

Proposed Facilities

The Ascaya Backbone Water System Improvements consist of the addition of two (2) new packaged pumping systems, P-13B and P-31 Pumping Stations, approximately 8,900 feet of transmission main, three (3) new above grade prestressed-concrete reservoirs, R-13A, R-31 and R-32 Reservoirs, and four (4) Pressure Reducing Stations, PRV-113 to PRV-116 (See Exhibit 2). The prorated share of each facility for each developer was determined based on the methods established in the previous section of this report. The breakdown of percent share of each developer at build-out condition for the various facilities in the Special Refunding Area is included in Tables 1 to 3.

The major water infrastructure integral to the special refunding area are the following:

1. **R-13A Reservoir** – This reservoir is located within the MacDonald Highlands development. Construction of this reservoir consists of an above-grade 397,000-gallon pre-stressed concrete tank and associated piping and valving, electrical, civil improvements, disinfection facilities, over excavating and blasting, site grading, dust control, soil testing, engineering and surveying, permits, and fees. The R-13A Reservoir is used to pump from the 2370 zone to the 2800 zone. There will not be any domestic or fire storage in this tank. The users of the Ascaya Backbone Water System Improvements will share the cost of this facility. Of the total required capacity, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this reservoir is \$922,628 (DYK) with 71% of the contribution being designated Ascaya and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006

Total Refunding Amount \$267,562

2. **P-13B Pumping Station** – The P-13B pumping station consists of a packaged pump system, which is added within the existing P-13 pumping station building. This facility is sized with a capacity of 790 gpm at a TDH of 474 ft. The facility was sized per the Master Plan to meet the maximum day

demands for all development in the special refunding area. Of the total required pumping capacity, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this pumping station is \$1,819,812 with 71% of the contribution being designated to ASCAYA and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$527,745

3. **P-13B/R-31 Transmission Pipeline** – This pipeline is utilized for transmission from the P-13B Pumping Station to the R-31 Reservoir. Construction of this pipeline consists of approximately 3,174 feet of 10-inch ductile iron pipe and approximately 1,576 feet of 12-inch ductile iron pipe. All ductile iron pipe is cement lined and polyethylene wrapped. Included costs reflect the total costs for the associated grading, access road improvements, and retaining walls necessary for the construction of the pipeline. Of the total requirement, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this transmission pipeline is \$1,152,366 with 71% of the contribution being designated to ASCAYA and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$334,186

4. **R-31 Reservoir** – This reservoir is located within the Ascaya development. Construction of this reservoir consists of an above-grade 58,000-gallon pre-stressed concrete tank and associated piping and valving, electrical, civil improvements, disinfection facilities, over excavating and blasting, site grading, dust control, soil testing, engineering and surveying, permits, and fees. The R-31 Reservoir is used as an intermediate tank to pump from the 2370 zone to the 3220 zone. There will not be any domestic or fire storage in this tank. The users of the Ascaya Backbone Water System Improvements will share the cost of this facility. Of the total required capacity, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this reservoir is \$604,792

with 71% of the contribution being designated to ASCAYA and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$175,390

5. **P-31 Pumping Station** – The P-31 pumping station consists of a packaged pump system located on the proposed P-31/R-31 Site. This facility is sized with a capacity of 790 gpm at a TDH of 472 ft. The facility was sized to meet the maximum day demands for all development in the special refunding area. Of the total required pumping capacity, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this pumping station is \$2,485,184 with 71% of the contribution being designated to ASCAYA and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$720,703

6. **P-31/R-32 Transmission Pipeline** – This pipeline is utilized for transmission from the P-31 Pumping Station to the R-32 Reservoir. Construction of this pipeline consists of approximately 4,426 feet of 10-inch ductile iron pipe. All ductile iron pipe is cement lined and polyethylene wrapped. Included costs reflect the total costs for the associated grading, blasting, and access road improvements necessary for the construction of the pipeline. Of the total requirement, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this transmission pipeline is \$226,512 with 71% of the contribution being designated to ASCAYA and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$65,688

7. **R-32 Reservoir** – This reservoir is located within the Ascaya development. Construction of this reservoir consists of an above-grade 390,000-gallon pre-

stressed concrete tank and associated piping and valving, electrical, civil improvements, over excavating and blasting, site grading, dust control, soil testing, engineering and surveying, permits, and fees. The users of the Ascaya Backbone Water System Improvements will share the cost of this facility. Of the total required storage capacity, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this reservoir is \$2,860,940 with 71% of the contribution being designated to ASCAYA and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$829,673

8. **PRV-113** - This pressure reducing station including piping, fittings, electrical, trenching, backfill, testing, engineering and surveying, permits, and fees will serve development in the 3060 Zone and everyone downstream. The users of the 3060, 2985, 2800, and 2630 Zones within the refunding area will share the cost of this facility. Of the total required flow capacity, 67% is used by Ascaya, with the remaining 33% serving other developments in the special refunding area. The total project cost for this PRV is \$196,963 with 67% of the contribution being designated to ASCAYA and the additional 33% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$64,998

9. **PRV-114** - This pressure reducing station including piping, fittings, electrical, trenching, backfill, testing, engineering and surveying, permits, and fees will serve development in the 2985 Zone and everyone downstream. The users of the 2985, 2800, and 2630 Zones within the refunding area will share the cost of this facility. Of the total required flow capacity, 62% is used by Ascaya, with the remaining 38% serving other developments in the special refunding area. The total project cost for this PRV is \$187,828 with 62% of the contribution being designated to Ascaya and the additional 38% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$71,375

10. **PRV-115** - This pressure reducing station including piping, fittings, electrical, trenching, backfill, testing, engineering and surveying, permits, and fees will serve development in the 2800 Zone and 2630 Zone. The users of the 2800 and 2630 Zones within the refunding area will share the cost of this facility. Of the total required flow capacity, 55% is used by Ascaya, with the remaining 45% serving other developments in the special refunding area. The total project cost for this PRV is \$187,758 with 55% of the contribution being designated to ASCAYA and the additional 45% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$84,491

11. **PRV-116** - This pressure reducing station including piping, fittings, electrical, trenching, backfill, testing, engineering and surveying, permits, and fees will serve development in the 2630 Zone. The users of the 2630 Zone within the refunding area will share the cost of this facility. Of the total required flow capacity, 63% is used by Ascaya, with the remaining 36% serving other developments in the special refunding area. The total project cost for this PRV is \$173,835 with 63% of the contribution being designated to ASCAYA and the additional 37% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$64,319

12. **Bravo Underground extra water infrastructure** - This consists of extra work performed by Bravo as required for City approval including added cost for construction of pipe on a 2:1 slope (from R-13A-R-32, and south of R-32), type II backfill material, tie in to Obsidian Mountain/MacDonald Ranch and Power Feeder to R-13A, R-31, R-32, P-13B and PRVs 113-116. As to the power feed, the actual load to the potable water infrastructure facilities are as follows: R-31/P-31= 349 kva, R-32= 9.6 kva, PRVs 113-116= 9.6 kva each for a total load of 397 kva to Ascaya water facilities. The total load delivered to Ascaya is 16520 kva, so 2.4% of the total load will be attributed to the

potable water infrastructure and therefore the eligible refunding amount will be 2.4% of the total cost of the onsite feeder. Of the total, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this task is \$892,349 with 71% of the contribution being designated to Ascaya and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$258,781

13. a. Fisher Sand and Gravel General Contractor (GC) 15% Mark-Up – This consists of Fisher oversight for the Owner and management of underground transmission water construction. Of the total, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this task is \$238,601 with 71% of the contribution being designated to Ascaya and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$69,194

13. b. 7.5% tax on materials – This consists of taxes paid for materials. Of the total, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this task is \$181,223 with 71% of the contribution being designated to Ascaya and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$52,555

14. NV Energy Off-Site Feeder – This consists of cost for MasTec North America to construct off-site power feeders per approved NV Energy plans dated 7-27-15 (16 sheets). The actual load to the potable water infrastructure facilities are as follows: R-31/P-31= 349 kva, R-32= 9.6 kva, PRVs 113-116= 9.6 kva each for a total load of 397 kva to Ascaya water facilities. The total load delivered to Ascaya is 16520 kva, so 2.4% of the total load will be attributed to the potable water infrastructure and therefore the eligible refunding amount will be 2.4% of the total cost. Of the total, 71% is used by

Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this task is \$3,321,264 for offsite power construction, \$3,845,282 for non-refunded offsite fees to NV Energy and \$1,447,801 for onsite non-refunded fees to NV Energy for a total of \$8,614,347(x2.4%)=\$206,744 with 71% of the contribution being designated to Ascaya and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$59,956

15. **Civil Engineering Fees** – Although actual civil engineering fees associated with the potable water infrastructure consisting of, but not limited to, Water Master Planning, Pre-Design, Infrastructure design, Plan preparation and processing, Construction Management, Survey, General/Sub-Consultant/Contractor construction coordination and Facilities start-up was upwards of 20% of the actual construction cost, the maximum allowed is 15% per COH Municipal Code for Civil Engineering Fees (not including NV Energy, COH fees, taxes, Fisher GC 15% mark up or tax on materials). Of the total, 71% is used by Ascaya, with the remaining 29% serving other developments in the special refunding area. The total project cost for this task is \$1,752,219 with 71% of the contribution being designated to Ascaya and the additional 29% as part of this Update for the Refunding Agreement for Ascaya SR-006.

Total Refunding Amount \$508,144

REFUNDING PROGRAM

The refunding program for calculating the percent of the cost to be refunded back to Ascaya is determined based on the Equivalent Dwelling Units (EDU's) being served by the system in each development. Refunding and cost sharing is based on the percent contribution each development has to the total demand in the system (see Tables 1 to 3).

These values are used to allocate costs for the facilities discussed in the previous section for the potable water system. To calculate the proportionate share, the total number of EDU's must be allocated to the entire contribution area. Ascaya and the City have determined that water system infrastructure cost allocations would be equitable based on the following:

- Pumping Station – The ratio of the user's number of EDU's (or maximum day demands) to the total number of EDU's (or maximum day demands) for which the Pumping Station was designed. See Table 1.
- Transmission Pipe – The ratio of the user's number of EDU's (or maximum day demands) to the total number of EDU's (or maximum day demands) for which the Transmission Pipe was designed. See Table 1.
- Reservoirs - The ratio of the user's number of EDU's to the total number of EDU's being supplied by the reservoir. See Table 2.
- Pressure Reducing Stations - The ratio of the user's number of EDU's to the total number of EDU's being supplied by the PRV's. See Table 3.

Table 4 illustrates the final capital costs for the constructed facilities in this Refunding report. Table 5 depicts an itemized breakdown of construction cost for the facilities addressed in this report. Table 6 addresses the cost attributable to each development based on the percent usage. Table 7 summarizes the proportionate cost share per EDU for proposed users of these facilities.

SUMMARY OF REFUND

The City collects fees from other developers at the time their first connection (approval of plans) is made to the system. Funds collected from other developers are refunded to Ascaya who installed the facility(ies) in accordance with Henderson Municipal Code (H.M.C.) 14.16. Additionally, all costs are indexed and facilities depreciated in accordance with H.M.C. 14.16.

These costs would be in addition to any system development fees and other connection charges levied by the City in the course of normal development. There may also be additional refunding charges collected by other parties who have constructed localized water and/or sewer lines if connection is made to those lines to complete a developer's system.

This Refunding Report has been prepared by, or under the direction of, the following professional engineer, licensed in the State of Nevada:

Darren Bench, P.E.,
President
CVL Nevada, Inc.
2505 Anthem Village Dr # E-215
Henderson, Nv 89052



APPENDIX A – Henderson Municipal Code 14.16

14.16.010 General provisions.

A. Purpose and Policy. This chapter sets forth responsibility, authority, and provisions to provide a mechanism for the orderly development of the utility system *through refunding of costs associated with the design and construction of utility infrastructure.*

B. Scope. The provisions of this chapter shall apply to all residents of the city and/or users of city provided utilities.

C. Administration. Except as otherwise provided herein, the director shall administer, implement, and enforce the provisions of this chapter. Any powers granted or duties imposed upon the director may be delegated by the director to persons acting in the beneficial interest of or in the employment of the city.

D. Compliance. All provisions of this chapter are subject to compliance procedures as outlined in this title and the department service rules. (Ord. 2536 § 84, 2006)

14.16.020 Cost for infrastructure.

The cost to design and construct any water, sewer, and/or reclaimed infrastructure required *in connection with the extension of the public utility system to serve the customer shall be advanced by the customer requesting such service.* (Ord. 2536 § 85, 2006)

14.16.030 Construction specifications.

All utility extensions, facilities and/or infrastructure to be constructed by the customer shall conform to adopted standards. (Ord. 2536 § 86, 2006)

14.16.040 Standard refunding.

A. Standard Refunding Agreements.

1. The city may enter into an agreement which provides for repayment of a portion of the cost of the main extension lying between the original point of supply and the customer's property from main frontage fees collected from other properties frontage to the main extension covered by such agreement during the term provided in the agreement or until the amount advanced by the customer has been satisfied, as determined in accordance with the provisions of this title and/or the department's service rules.

2. The following items may be eligible for standard refunding:

- a. Water, sewer, and reclaimed water main extensions to a project;
- b. Water, sewer, and reclaimed water main extensions adjacent to a project; and/or
- c. Water, sewer, and reclaimed water mains replacing existing mains.

3. The period during which refunds are due shall be twenty years, commencing on the date when the infrastructure covered by the agreement is completed, tested, and accepted by the city.

4. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and

acceptance criteria.

5. The city council shall grant the director the authority to enter into and execute any standard refunding agreement in which the city is not a participant. Should the city be a participant in a standard refunding agreement, such agreement must be approved according to city standard operating procedures and policies.

B. Standard Refunding Conditions.

1. Application for standard refunding agreement shall be submitted to the department in writing accompanied by documentation as required by the city from customer(s) constructing such infrastructure covered by the agreement. This application shall be submitted within ninety days of date of acceptance by the city of the infrastructure to be covered by such agreement.

2. All customers entering into any refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable at the time of the execution of the agreement.

3. Customers may be eligible for a refund of main frontage fees collected by the city from other properties in accordance with this title.

4. All standard refunding calculations shall be rounded to the nearest foot and shall be assessed based on the frontage of the applicant's property, as indicated by the most current data in the Clark County assessor office records, adjacent to the right-of-way or easement where the existing water, sewer, or reclaimed water main is located in accordance with this title and/or the department's service rules.

5. After execution of a valid standard refunding agreement, all main frontage fees collected in accordance with this title and/or department service rules shall be paid within sixty days from the date of collection.

6. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a standard refunding agreement due to defective materials or workmanship the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter. (Ord. 2536 § 87, 2006)

14.16.050 Special refunding.

A. Special Refunding Agreements.

1. The city may enter into a special refunding agreement which provides for repayment of a portion of the cost of that backbone infrastructure lying between the original point of supply and the customer's property from special refunding fees to be collected by the city from other customers obtaining direct or indirect service from the backbone infrastructure during the term provided in the special refunding agreement, pursuant to this title, or until the proportional cost of design and construction advanced by the customer has been repaid, whichever is earlier.

2. Any special refunding agreement entered into by the city must be based upon a refunding report completed in accordance with the department service rules and adopted by the city council.

3. The term of any special refunding agreement shall be twenty years, which will commence on the date the infrastructure covered by the special refunding agreement is completed, tested and accepted by the city.

4. Application for special refunding agreement shall be submitted to the director in writing accompanied by documentation as required by the city within ninety days of

the date of acceptance of the pre-design report by the city for the infrastructure to be covered by such agreement. All final costs are subject to verification by the city. 5. The amount subject to repayment under a special refunding agreement shall be the amount of the actual cost of the work as verified by the city. The final cost of the work shall be the basis for the determination and calculation of refunds under the special refunding agreement. Final costs that are eligible for inclusion in the special refunding agreement are:

- a. Actual construction costs (including administration and safety and traffic control measures);
- b. Design engineering costs and inspection costs not to exceed an aggregate fifteen percent of subsection (A)(6) of this section;
- c. Permits and fees;
- d. Performance and related bond costs to the extent not included in subsection (A)(6) of this section;
- e. Actual financing costs related to subsections (A)(5)(a) through (A)(5)(d) of this section. Said financing costs shall be computed through the date of final acceptance of the backbone infrastructure by the city; and
- f. All fees and expenses reasonably incurred concerning the preparation of the special refunding agreement shall be added to the refunding amount.

6. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and approval criteria.

B. Special Refunding Conditions.

1. Customers entering into any special refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable upon execution of the agreement.
2. After execution of a valid special refunding agreement, special refunding fees collected in accordance with this title and/or department service rules shall be paid to the customer within thirty days from the last business day of the quarter in which such fees were collected and will be issued in accordance to the procedures outlined in the department service rules.
3. Special refunding fees collected by the city shall be computed as follows:
 - a. As to the portion of cost attributable to the holder of the special refunding agreement, advances shall be accrued quarterly with interest equal to one-fourth the prime rate plus two percentage points with a maximum of ten percent per year. The prime rate that is published in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report and being the prime rate published at the last business day of each calendar quarter for the subsequent quarter.
 - b. As to the portion of cost attributable to city, advances shall be accrued quarterly with interest equal to one-fourth the Merrill Lynch Bond Index for tax-exempt thirty-year A-rated revenue bonds as printed in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report with a maximum of ten percent per year. The rate shall be based upon the index rate published the last business day of each calendar quarter for the subsequent quarter.
 - c. The amount that makes up the actual final cost of work shall be depreciated annually over forty years using the straight-line method of depreciation or such

time line as recommended and approved in the refunding report. The net book value of the infrastructure shall become the base for purposes of calculating amounts to be refunded and of computing the addition of accrued interest.

4. Special refunding fees, as allocated in the refunding report to a customer, will only be made for utility infrastructure that service areas not only of the customers but areas designated in the approved refunding report.

5. Special refunding fees will be made from fees collected from other customers or the city whose properties are served by the backbone infrastructure and paid prior to final issuance of a certificate of occupancy.

6. In the event two or more customers have designed the same backbone infrastructure, those eligible costs, or an applicable portion thereof, paid by the customer who has submitted a performance bond to the city for construction of the relevant system or facility and has completed said construction shall be refunded.

7. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a special refunding agreement due to defective materials or workmanship on, the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter. (Ord. 2536 § 88, 2006)

14.16.060 Violations.

Any person who fails or refuses to comply with any provision of this chapter or department's service rules or who provides false information to the city shall be deemed to be in violation of this title and shall be subject to discontinuance of service; subject to any penalties and charges assessed in accordance with this title and/or department's service rules; and subject to all compliance procedures as proscribed within this title. (Ord. 2536 § 89, 2006)

APPENDIX B - Unit Duty and EDU Table

**Table 2-A
CITY OF HENDERSON
WATER CALCULATION GUIDELINES - UNIT DUTIES**
Updated: October 12, 2006

Quantity	Type of Development	Calculation Factor	Total EDUs
	Single Family - VLD (net acreage \geq 1/2 acre/lot)	1.5 EDU/lot	
	Single Family - LD (net acreage < 1/2 acre/lot)	1.0 EDU/lot	
	Multi-Family - MD (Density \leq RM16)	0.81 EDU/unit	
	Multi-Family - HD (Density \geq RM18)	0.51 EDU/unit	
	Commercial	7.65 EDU/acre	
	School	1.2 EDU/acre	
	Park/Common Element/Irrigated Turf	14.4 EDU/acre	
	Hotel/Motel	7.65 EDU/acre	
	Industrial (case by case)	Attach Calculations	
TOTALS:			

1 equivalent development unit (EDU) equals 0.75 acre feet per year (AFY), which is the estimated annual average water use. The Average Day Demand (gallons per minute) equals 0.62 times the annual average water use (AFY). Peaking factors: Maximum Day Demand = Average Day X 2.0, Peak Hour Demand = Maximum Day X 1.7. The Calculation factors are based on density, not zoning. Acres are based on gross acres.

Demand Factor Calculation:

Type of Development	Total # of Units or Acres	Total # EDUs, (units or acres x EDU factor)	Annual Average Water Use, AFY (# EDU x 0.75 AFY)	Average Day Demand, gpm (AFY x 0.62)	Maximum Day Demand, gpm (ADD x 2.0)	Peak Hour Demand, gpm (MDD x 1.7)
TOTALS:						

APPENDIX C – Sample Depreciation & Appreciation Table
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APPRECIATION/DEPRECIATION SAMPLE CALCULATION

Refunding Amount	\$500,000
Facility Service Life	25 Years
Number of EDU's (estimated)	2700

Year	Quarter	Straight Line Depreciation	*Quarterly Interest Rate	Index	Refunding Amount	Value per EDU
0	1	\$500,000.00	1.5	1.0000	\$500,000.00	\$185.19
	2	\$495,000.00	1.5	1.0150	\$500,000.00	\$185.19
	3	\$490,000.00	1.5	1.0302	\$500,000.00	\$185.19
	4	\$485,000.00	1.5	1.0457	\$500,000.00	\$185.19
1	1	\$480,000.00	1.5	1.0614	\$509,454.50	\$188.69
	2	\$475,000.00	1.5	1.0773	\$511,709.90	\$189.52
	3	\$470,000.00	1.5	1.0934	\$513,918.33	\$190.34
	4	\$465,000.00	1.5	1.1098	\$516,077.88	\$191.14
2	1	\$460,000.00	1.5	1.1265	\$518,186.59	\$191.92
	2	\$455,000.00	1.5	1.1434	\$520,242.44	\$192.68
	3	\$450,000.00	1.5	1.1605	\$522,243.37	\$193.42
	4	\$445,000.00	1.5	1.1779	\$524,187.28	\$194.14
3	1	\$440,000.00	1.5	1.1956	\$526,072.00	\$194.84
	2	\$435,000.00	1.5	1.2136	\$527,895.31	\$195.52
	3	\$430,000.00	1.5	1.2318	\$529,654.96	\$196.17
	4	\$425,000.00	1.5	1.2502	\$531,348.63	\$196.80
4	1	\$420,000.00	1.5	1.2690	\$532,973.93	\$197.40
	2	\$415,000.00	1.5	1.2880	\$534,528.44	\$197.97
	3	\$410,000.00	1.5	1.3073	\$536,009.66	\$198.52
	4	\$405,000.00	1.5	1.3270	\$537,415.05	\$199.04
5	1	\$400,000.00	1.5	1.3469	\$538,742.00	\$199.53
	2	\$395,000.00	1.5	1.3671	\$539,987.84	\$200.00
	3	\$390,000.00	1.5	1.3876	\$541,149.84	\$200.43
	4	\$385,000.00	1.5	1.4084	\$542,225.20	\$200.82

*Appreciation index used for City of Henderson is the Merrill Lynch Bond Index per Ordinance 1495

Appreciation/Depreciation are shown to start immediately however are not effective until year one

**TABLE 1
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT**

P-13B AND P-31 PUMPING STATIONS AND TRANSMISSION PIPELINE PRORATA CAPACITY SHARE BY EDU'S

Development	Zoning	Dwelling Units or Acreage	EDU Factor	Total EDU's	Prorated Share of Required Pumping	Avg. Day Demand		Max Day Demand [1]	
						Mult. Factor x EDU's	(gpm)	Mult. Factor x Avg. Day	(gpm)
Ascaya						0.5332			
Ascaya (all pressure zones)	313	313 DU's	1.50	470		0.5332	250.6	1.75	438.6
	Park	6 AC	8.14	49		0.5332	26.1	1.75	45.7
Total Ascaya				519	71%		276.7		484.3
Other Dev. in Special Refunding Area									
The Foothills	RS-2	110 DU's	1.50	165		0.5332	88.0	1.75	154.0
Obsidian Mountain	RS-6	42 DU's	1.00	42		0.5332	22.4	1.75	39.2
Obsidian Mountain	RS-2	1 DU's	1.50	2		0.5332	1.1	1.75	1.9
Obsidian Mountain	Park	0.5 DU's	8.14	4		0.5332	2.1	1.75	3.7
Total Others				213	29%		113.6		198.8
Total (All Users)				732	100%		390.3		683.0

[1] Based on COH criteria, pumping stations are sized to deliver maximum day demands.

**TABLE 2
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT**

R-13A, R-31 AND R-32 RESERVOIRS PRORATA CAPACITY SHARE BY EDU'S

Development	Zoning	Dwelling Units or Acreage	EDU Factor	Total EDU's	Prorated Share of Required Storage	Avg. Day Demand		Max Day Demand	
						Mult. Factor x EDU's	(gpm)	Mult. Factor x Avg. Day	(gpm)
Ascaya						0.5332			
Ascaya (all pressure zones)	RS-2	313 DU's	1.50	470		0.5332	250.6	1.75	438.6
	Park	6 AC	8.14	49		0.5332	26.1	1.75	45.7
Total Ascaya				519	71%		276.7		484.3
Other Dev. in Special Refunding Area									
The Foothills	RS-2	110 DU's	1.50	165		0.5332	88.0	1.75	154.0
Obsidian Mountain	RS-6	42 DU's	1.00	42		0.5332	22.4	1.75	39.2
Obsidian Mountain	RS-2	1 DU's	1.50	2		0.5332	1.1	1.75	1.9
Obsidian Mountain	Park	0.5 DU's	8.14	4		0.5332	2.1	1.75	3.7
Total Others				213	29%		113.6		198.8
Total (All Users)				732	100%		390.3		683.0

**TABLE 3
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT**

PRV's 113 to 116 PRORATA CAPACITY SHARE BY EDU'S

Development	Zoning	Dwelling Units or Acreage	EDU Factor	Total EDU's	Prorated Share of Required Storage	Avg. Day Demand		Max Day Demand	
						Mult. Factor x EDU's	(gpm)	Mult. Factor x Avg. Day	(gpm)
PRV-113									
Ascaya									
3060 Zone	RS-2	52 DU's	1.50	78		0.5332	41.6	1.75	72.8
2985 Zone	RS-2	62 DU's	1.50	93		0.5332	49.6	1.75	86.8
2800 Zone	RS-2	115 DU's	1.50	173		0.5332	92.2	1.75	161.4
2630 Zone	RS-2	23 DU's	1.50	35		0.5332	18.7	1.75	32.7
	Park	6 AC	8.14	49		0.5332	26.1	1.75	45.7
Total Ascaya				428	67%		228.2		399.4
Other Dev. in Special Refunding Area									
The Foothills	RS-2	110 DU's	1.50	165		0.5332	88.0	1.75	154.0
Obsidian Mountain	RS-6	42 DU's	1.00	42		0.5332	22.4	1.75	39.2
Obsidian Mountain	RS-2	1 DU's	1.50	2		0.5332	1.1	1.75	1.9
Obsidian Mountain	Park	0.5 DU's	8.14	4		0.5332	2.1	1.75	3.7
Total Others				213	33%		113.6		198.8
Total (All Users)				641	100%		341.8		598.1

TABLE 3 cont.
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT

PRV's 113 to 116 PRORATA CAPACITY SHARE BY EDU'S

Development	Zoning	Dwelling Units or Acreage	EDU Factor	Total EDU's	Prorated Share of Required Storage	Avg. Day Demand		Max Day Demand	
						Mult. Factor x EDU's	(gpm)	Mult. Factor x Avg. Day	(gpm)
PRV-114									
Ascaya									
2985 Zone	RS-2	62 DU's	1.50	93		0.5332	49.6	1.75	86.8
2800 Zone	RS-2	115 DU's	1.50	173		0.5332	92.2	1.75	161.4
2630 Zone	RS-2	23 DU's	1.50	35		0.5332	18.7	1.75	32.7
	Park	6 AC	8.14	49		0.5332	26.1	1.75	45.7
Total Ascaya				350	62%		186.6		326.6
Other Dev. in Special Refunding Area									
The Foothills	RS-2	110 DU's	1.50	165		0.5332	88.0	1.75	154.0
Obsidian Mountain	RS-6	42 DU's	1.00	42		0.5332	22.4	1.75	39.2
Obsidian Mountain	RS-2	1 DU's	1.50	2		0.5332	1.1	1.75	1.9
Obsidian Mountain	Park	0.5 DU's	8.14	4		0.5332	2.1	1.75	3.7
Total Others				213	38%		113.6		198.8
Total (All Users)				563	100%		300.2		525.3

TABLE 3 cont.
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT

PRV's 113 to 116 PRORATA CAPACITY SHARE BY EDU'S

Development	Zoning	Dwelling Units or Acreage	EDU Factor	Total EDU's	Prorated Share of Required Storage	Avg. Day Demand		Max Day Demand	
						Mult. Factor x EDU's	(gpm)	Mult. Factor x Avg. Day	(gpm)
PRV-115									
Ascaya									
2800 Zone	RS-2	115 DU's	1.50	173		0.5332	92.2	1.75	161.4
2630 Zone	RS-2	23 DU's	1.50	35		0.5332	18.7	1.75	32.7
	Park	6 AC	8.14	49		0.5332	26.1	1.75	45.7
Total Ascaya				257	55%		137.0		239.8
Other Dev. in Special Refunding Area									
The Foothills	RS-2	110 DU's	1.50	165		0.5332	88.0	1.75	154.0
Obsidian Mountain	RS-6	42 DU's	1.00	42		0.5332	22.4	1.75	39.2
Obsidian Mountain	RS-2	1 DU's	1.50	2		0.5332	1.1	1.75	1.9
Obsidian Mountain	Park	0.5 DU's	8.14	4		0.5332	2.2	1.75	3.8
Total Others				213	45%		113.6		198.8
Total (All Users)				471	100%		250.6		438.6

TABLE 3 cont.
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT

PRV's 113 to 116 PRORATA CAPACITY SHARE BY EDU'S

Development	Zoning	Dwelling Units or Acreage	EDU Factor	Total EDU's	Prorated Share of Required Storage	Avg. Day Demand		Max Day Demand	
						Mult. Factor x EDU's	(gpm)	Mult. Factor x Avg. Day	(gpm)
PRV-116									
Ascaya									
2630 Zone	RS-2	23 DU's	1.50	35		0.5332	18.7	1.75	32.7
	Park	6 AC	8.14	49		0.5332	26.1	1.75	45.7
Total Ascaya				84	63%		44.8		78.4
Other Dev. in Special Refunding Area									
Obsidian Mountain	RS-6	42 DU's	1.00	42		0.5332	22.4	1.75	39.2
Obsidian Mountain	RS-2	1 DU's	1.50	2		0.5332	1.1	1.75	1.9
Obsidian Mountain	RS-2	0.5 DU's	8.14	4		0.5332	2.2	1.75	3.8
Total Others				48	36%		2.2		3.8
Total (All Users)				133	99%		47.0		82.2

**TABLE 4
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT**

FACILITY COSTS/PERCENT REFUNDING

Item	Description	Cost	Ascaya %	Others %	Refunding
1	R-13A Reservoir	\$922,628	71	29	\$267,562
2	P-13B Pumping Station	\$1,819,812	71	29	\$527,745
3	P-13B/R-31 Trans Pipe	\$1,152,366	71	29	\$334,186
4	R-31 Reservoir	\$604,792	71	29	\$175,390
5	P-31 Pumping Station	\$2,485,184	71	29	\$720,703
6	P-31/R-32 Trans Pipe	\$226,512	71	29	\$65,688
7	R-32 Reservoir	\$2,860,940	71	29	\$829,673
8	PRV-113	\$196,963	67	33	\$64,998
9	PRV-114	\$187,828	62	38	\$71,375
10	PRV-115	\$187,758	55	45	\$84,491
11	PRV-116	\$173,835	63	37	\$64,319
12	Bravo extra backbone	\$892,349	71	29	\$258,781
	Total Infrastructure Cost	\$11,710,967			
13a	Fisher GC mark-up (15%)	\$238,601	71	29	\$69,194
13b	7.5% tax on materials	\$181,223	71	29	\$52,555
14	NV Energy offsite feeder	\$206,744	71	29	\$59,956
15	Civil Engineer Fees-15%(no	\$1,752,219	71	29	\$508,144
	TOTAL Backbone Capital Cost	\$14,089,754			\$4,154,760

**TABLE 5
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT**

ACTUAL CAPITAL COST BREAKDOWN (1)

Item #	Description	Total Capital Cost
--------	-------------	--------------------

1	R-13A Reservoir	\$922,628
2	P-13B Pumping Station	\$1,819,812
3	P-13B/R-31 Transmission Pipe	\$1,152,366
4	R-31 Reservoir	\$604,792
5	P-31 Pumping Station	\$2,485,184
6	P-31/R-32 Transmission Pipe	\$226,512
7	R-32 Reservoir	\$2,860,940
8	PRV-113	\$196,963
9	PRV-114	\$187,828
10	PRV-115	\$187,758
11	PRV-116	\$173,835
12	Water Infrastructure-Bravo	\$892,349

Total Infrastructure Cost

\$11,710,967

13a	Fisher GC (15%) on Bravo	\$238,601
13b	Taxes at 7.5% on Materials	\$181,223
14	NV Energy Off-Site Feeder	\$206,744
15	Civil Fees @ 15%(no fees/power)	\$1,752,219

Total Backbone Capital Cost

\$14,089,754

**TABLE 6
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT**

Detailed Actual BACKBONE CAPITAL CONSTRUCTION COST ESTIMATE

Item	Description	Estimated Construction Cost
1	R-13A Reservoir	
	Reservoir Construction - DYK	\$922,628
	Total R-13A Reservoir	\$922,628
2	P-13B Pumping Station Package:	
	Pump Skid - EFI	\$908,210
	- Pumping Equipment	
	- Motor Control Center	
	Pump Building - Contri	\$656,692
	Logic Control - TJK	\$25,650
	Pump Logistics - Industrial Power	\$229,260
	Total Pumping Station	\$1,819,812
3	P-13B/R-31 Transmission Pipeline	
	10/12" Transmission - Bravo Underground	\$236,178
	includes all appurtances/restraint/ blasting/trenching/backfill	
	Access Road R-13A - Fisher	\$413,819
	Access Road Next to Slope-design revision - Fisher	\$47,178
	Access Rd complete/pave access road - Fisher	\$405,191
	Transmission Main Flush/Test/Start-up - Bravo	\$50,000
	Total Pipeline	\$1,152,366
4	R-31 Reservoir	
	Reservoir Construction - DYK	\$134,792
	Prep Pad, Access Road - Fisher	\$470,000
	Total R-31 Reservoir	\$604,792
5	P-31 Pumping Station Package:	
	Pump Skid - EFI	\$949,400
	- Pumping Equipment	
	- Motor Control Center	
	Pump Building - Contri	\$1,239,944
	Telemetry - ECS	\$295,840
	Total Pumping Station	\$2,485,184
6	P-31/R-32 Transmission Pipeline	
	12" Transmission - Bravo Underground	\$176,512
	includes all appurtances/restraint/ blasting/trenching/backfill	
	Transmission Main Flush/Test/Start-up - Bravo	\$50,000
	Total Pipeline	\$226,512

TABLE 6
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT

Detailed Actual BACKBONE CAPITAL CONSTRUCTION COST ESTIMATE

Item	Description	Estimated Construction Cost
7	R-32 Reservoir	
	Reservoir Construction - DYK	\$906,580
	Prep Pad, Access Road - Fisher	\$1,795,000
	Reservoir Logistics - Industrial Power	\$159,360
	Total R-32 Reservoir	\$2,860,940
8	PRV-113	
	PRV Vault - EFI	\$130,554
	PRV Vault Pad - Fisher	\$20,000
	Installation - Bravo Underground	\$46,409
	Total PRV-113	\$196,963
9	PRV-114	
	PRV Vault - EFI	\$121,419
	PRV Vault Pad - Fisher	\$20,000
	Installation - Bravo Underground	\$46,409
	Total PRV-114	\$187,828
10	PRV-115	
	PRV Vault - EFI	\$121,349
	PRV Vault Pad - Fisher	\$20,000
	Installation - Bravo Underground	\$46,409
	Total PRV-115	\$187,758
11	PRV-116	
	PRV Vault - EFI	\$107,427
	PRV Vault Pad - Fisher	\$20,000
	Installation - Bravo Underground	\$46,408
	Total PRV-116	\$173,835
12	Bravo Water infrastructure	
	Reservoir/Pump Station/PRV power feeder (\$1,229,367x2.4% *)	\$29,505
	Added cost for pipe on steep slope Phase 2	\$383,170
	R-31 to P-13B water on 2:1 slope construction	\$310,419
	R-31 to P-13B Type II Material Purchase	\$98,105
	Water Tie-in to Roma Hills/Obsidian	\$71,150
	* power load to R-31,P-31, R-32, PRVs 113-116@397kva/total load@16520kva=2.4%	
	Bravo Water infrastructure	\$892,349
Total Infrastructure Construction Cost		\$11,710,967
13a	Fisher 15% mark-up for GC - Bravo Water install	
	Total 15% GC - Fisher *	\$238,601
	* (3)286,178 +(6)226,512 +(8-11 PRV) 185,635 +(12) 892,349 =	
	\$1,590,674 x (15%)= \$238,601	

**TABLE 6
ASCAYA
BACKBONE WATER SYSTEM IMPROVEMENTS
REFUNDING REPORT**

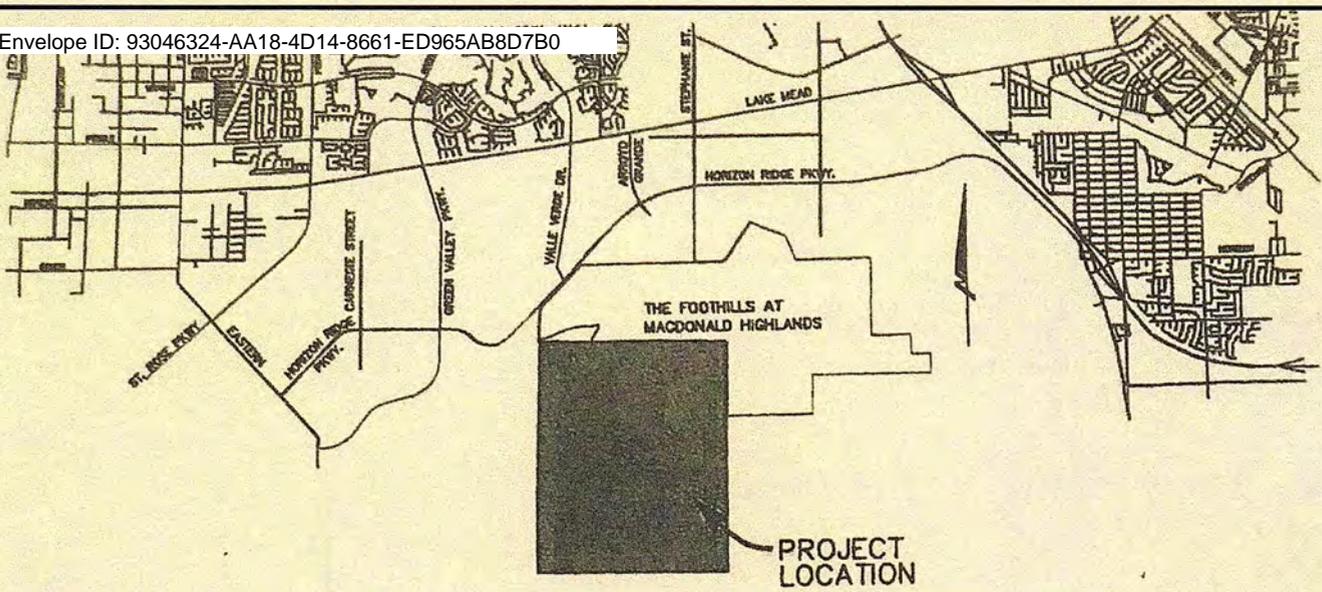
Detailed Actual BACKBONE CAPITAL CONSTRUCTION COST ESTIMATE

Item	Description	Estimated Construction Cost
13b	7.5% Tax on Materials	
	Total 7.5% Tax	\$181,223
14	Offsite Power Feeder - Mastec (\$3,321,264x2.4% *)	\$79,710
	Off site non refundable fees \$3,845,282 x2.4% = \$92,287	\$92,287
	On site non refundable fees \$1,447,801 x2.4% = \$34,747	\$34,747
	* power load to R-31,P-31, R-32, PRVs 113-116@397kva/total load@16520kva=2.4%	
	NV Energy Feeder (off-site only)	\$206,744
15	Civil Engineering @15% (not inclg NV Energy,COH Fees,Taxes, Fisher GC)	\$1,752,219
	Total 15% for Civil Refunding	\$1,752,219
Non-refunded Fees paid by Ascaya - NV Energy		
Total Backbone Capital Cost		\$14,089,754

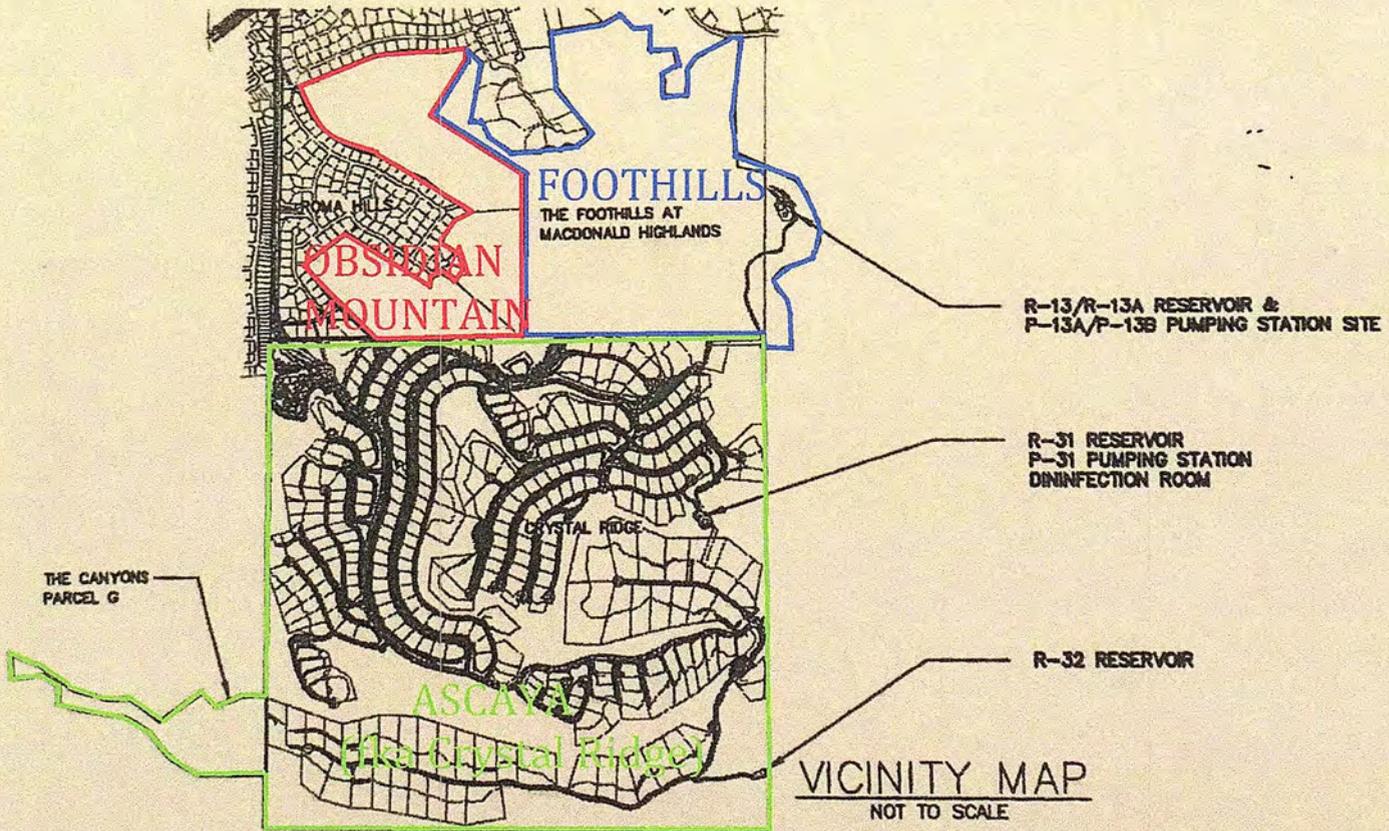
TABLE 7

**Equivalent Dwelling Unit (EDU) Cost Share Summary
Backbone Ascaya (fka Crystal Ridge) Water System Improvements**

	DEVELOPER PROJECTS CONSTRUCTED:	COST	COST SHARE PER EDU IN SPECIAL REFUNDING AREA (732 Total Estimated EDU's)							
			Ascaya (3220 PZ) (92EDU's)	Ascaya (3060 PZ) (78 EDU's)	Ascaya (2985 PZ) (93 EDU's)	Ascaya (2800 PZ) (172 EDU's)	Ascaya (2630 PZ) (84 EDU's)	Foothills (165 EDU's)	Parcel G added to 3220 PZ	Obsidian Mountain (48 EDU's)
1	R-13A Reservoir	\$922,628	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260		\$1,260
2	P-13B Pumping Station	\$1,819,812	\$2,486	\$2,486	\$2,486	\$2,486	\$2,486	\$2,486		\$2,486
3	P-13B/R-31 Trans Pipe	\$1,152,366	\$1,574	\$1,574	\$1,574	\$1,574	\$1,574	\$1,574		\$1,574
4	R-31 Reservoir	\$604,792	\$826	\$826	\$826	\$826	\$826	\$826		\$826
5	P-31 Pumping Station	\$2,485,184	\$3,395	\$3,395	\$3,395	\$3,395	\$3,395	\$3,395		\$3,395
6	P-31/R-32 Trans Pipe	\$226,512	\$309	\$309	\$309	\$309	\$309	\$309		\$309
7	R-32 Reservoir	\$2,860,940	\$3,908	\$3,908	\$3,908	\$3,908	\$3,908	\$3,908		\$3,908
8	PRV-113 - 640 EDU's	\$196,963	\$0	\$308	\$308	\$308	\$308	\$308		\$308
9	PRV-114 - 562 EDU's	\$187,828	\$0	\$0	\$334	\$334	\$334	\$334		\$334
10	PRV-115 - 469 EDU's	\$187,758	\$0	\$0	\$0	\$400	\$400	\$400		\$400
11	PRV-116 - 132 EDU's	\$173,835	\$0	\$0	\$0	\$0	\$1,317	\$0		\$1,317
12	Bravo extra backbone	\$892,349	\$1,219	\$1,219	\$1,219	\$1,219	\$1,219	\$1,219		\$1,219
	Total Infrastructure Cost	\$11,710,967								
13a	Fisher GC mark-up (15%)	\$238,601	\$326	\$326	\$326	\$326	\$326	\$326		\$326
13b	7.5% tax on materials	\$181,223	\$248	\$249	\$249	\$249	\$249	\$249		\$249
14	NV Energy offsite feeder	\$206,744	\$282	\$282	\$282	\$282	\$282	\$282		\$282
15	Civil Engineer Fees-15%(no	\$1,752,219	\$2,394	\$2,394	\$2,394	\$2,394	\$2,394	\$2,394		\$2,394
	TOTAL Backbone Capital Cost	\$14,089,754	\$18,229	\$18,536	\$18,871	\$19,271	\$20,587	\$19,270		\$20,587



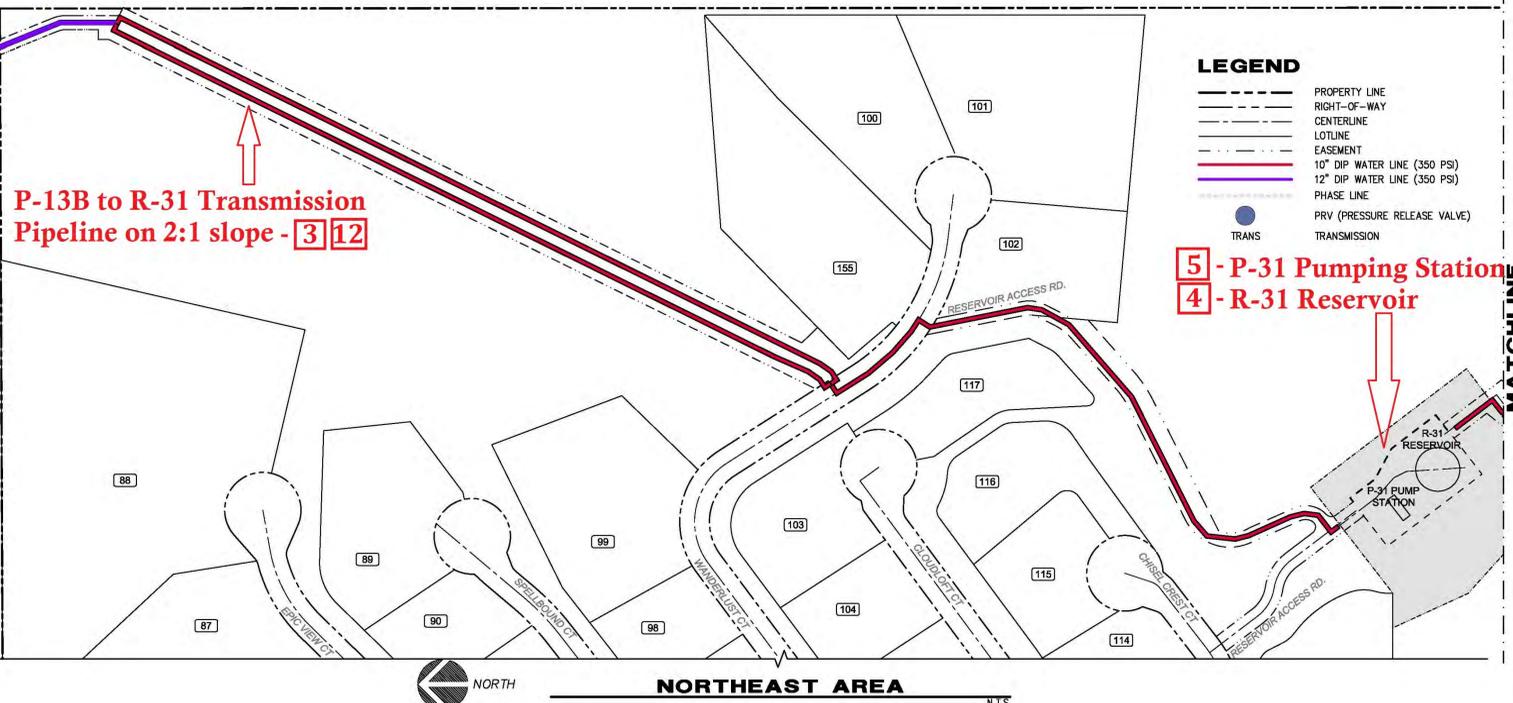
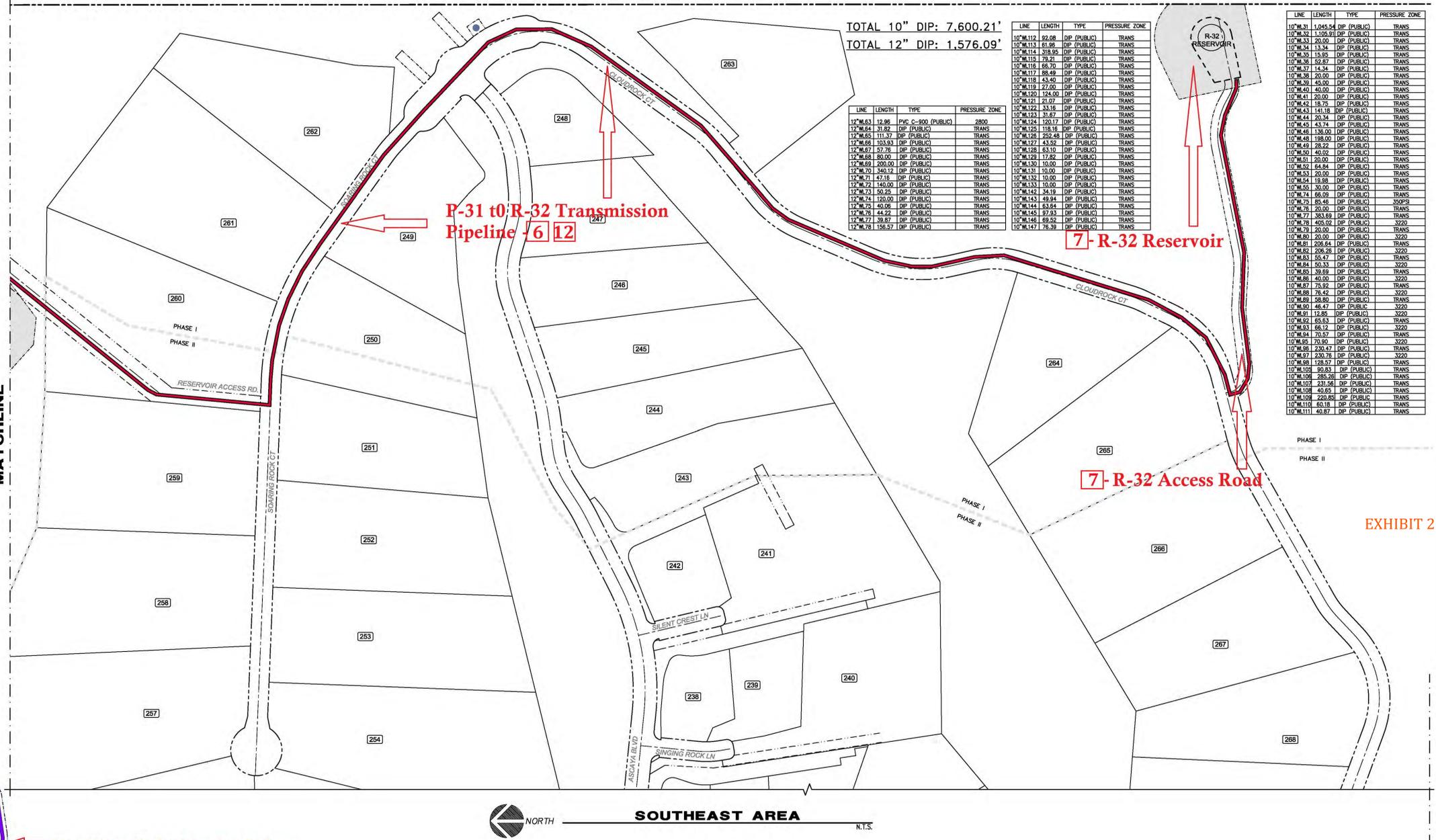
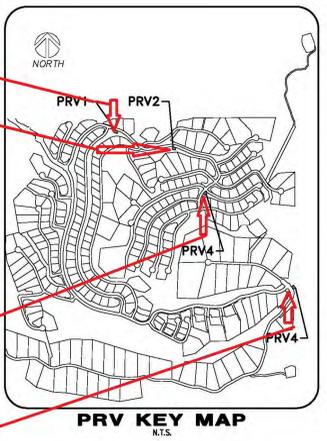
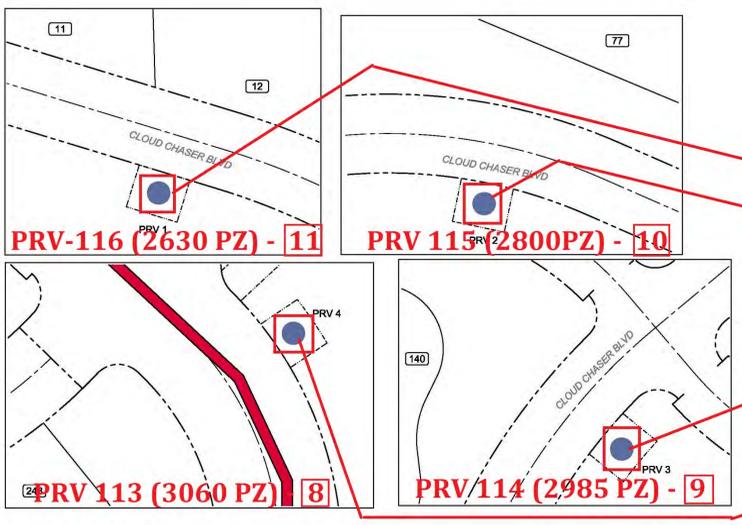
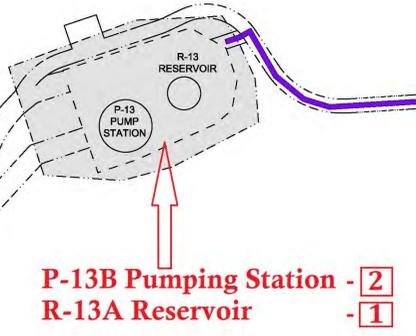
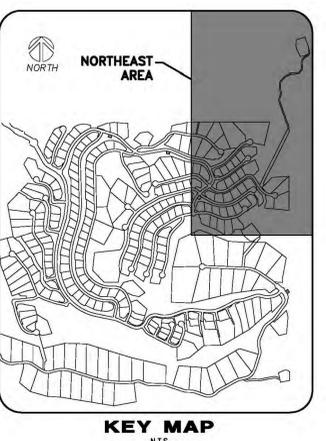
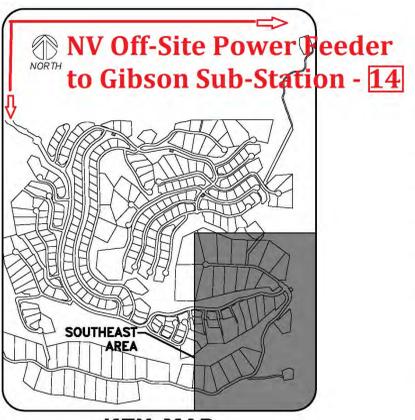
LOCATION MAP
NOT TO SCALE



VICINITY MAP
NOT TO SCALE

ASCAYA

PROJECT No.	049030
SCALE	N/A
DATE	10/10/07
DRAWN BY	AM/CV



DESIGNED BY: []
DRAWN BY: CMH
CHECKED BY: DB
PROJECT DATE: DEC. 2015

BY DATE/APPROVAL: []

NO. REVISION: []

ASCAYA

CLARK COUNTY

ASCAYA, INC.
Henderson, Nevada 89012

STATE OF NEVADA
DARREN M. BENCH
REGISTERED PROFESSIONAL LAND SURVEYOR
No. 10574

2505 Anthem Village Dr.
Suite E-215
Henderson, NV 89052
Tel: (702) 355-3846

NEVADA, INC.
ENGINEERING - PLANNING - LAND SURVEYING

SHEET EX-1
1 OF X
SCALE 1" = 100'

Horizon Ridge Pkwy

Roma Hills Blvd

Exhibit 3
CVL Nevada, Inc

Special Refunding Area



PHASE 3

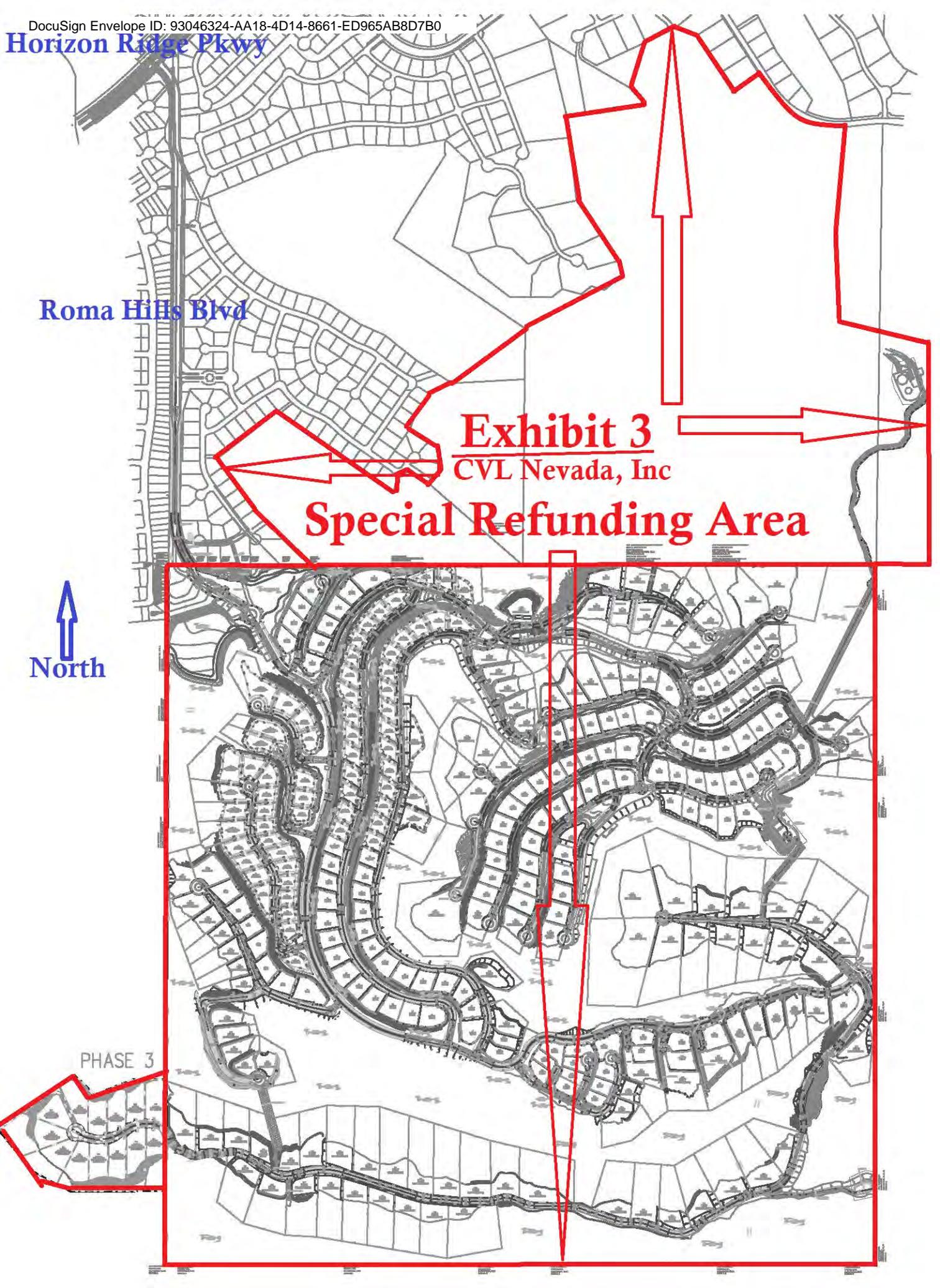
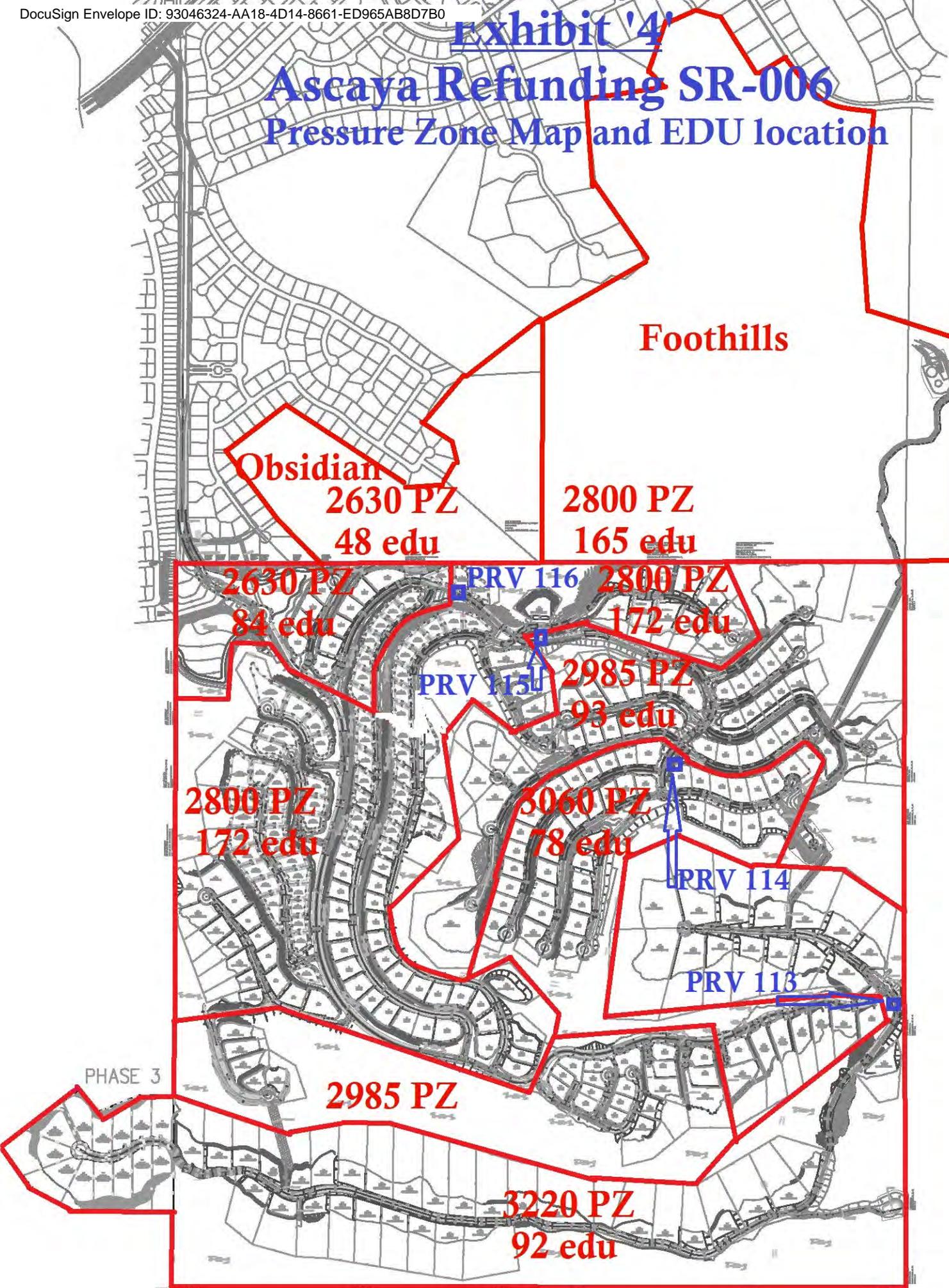


Exhibit '4'

Ascaya Refunding SR-006 Pressure Zone Map and EDU location



SPECIAL REFUNDING AGREEMENT

EXHIBIT C

HMC 14.01.010 - DEFINITIONS HMC CHAPTER 14.03 - WATER REGULATIONS HMC CHAPTER 14.16 - REFUNDING REGULATIONS

14.01.010 - Definitions.

For the purpose of administering this title, the words and terms set forth in this chapter shall be defined as follows:

Acceptance means a formal process by which the City of Henderson assumes responsibility for operation and maintenance of the asset and/or infrastructure.

Actual cost means all costs to include, but not limited to costs of time, labor, overhead and benefits, rental or city-owned vehicles, materials, and use of outside resources or services necessary to administer, monitor, repair, replace, remove and/or install city facilities as needed.

Adopted standards means procedures, policies, rules, and regulations which may include utility design and construction standards and City of Henderson adopted amendments, city and/or department standard operating procedures, approved material lists, adopted plumbing codes, etc.

Approved backflow testing laboratory means: (1) The Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California; (2) any other person or entity that the health authority determines is: (a) competent and possesses the necessary facilities to investigate and evaluate assemblies for the prevention of backflow; (b) adheres to the procedures for testing and certification set forth in the American Water Works Association Standards and; (c) is independent of any manufacturers of assemblies for the prevention of backflow.

Appurtenances means equipment, machinery, appliances, structures, attachments, and other parts of a main structure that are necessary to allow it to operate as intended.

Baseline monitoring report (BMR) means a report submitted by categorical industrial users indicating the industrial user's compliance status with the Federal Categorical Standards, 40 CFR 403.12(b).

Basic service charge means a monthly fee for city accounting services, taxes, billing, account collection, collection and treatment of storm water inflow and groundwater infiltration, salinity control and pretreatment.

Best management practice (BMP) means an innovative and progressive operational strategy that reflects a higher level of responsibility by a user. The primary objective of the operational strategy is to reduce or eliminate potential hazards or effluent pollutant volumes, therefore reduce or eliminate potential hazards or effluent pollutant volumes, therefore reducing the impact of the facility on the POTW.

Billing period means the period of time for which a customer is billed for services provided by the utility.

Biochemical oxygen demand (BOD) means the relative oxygen requirement of wastewater.

Building permit means a permit for the erection, construction, enlargement, alterations, repair, improvements, conversion or demolition of any building or structure regulated by the City of Henderson Municipal Code (HMC).

Bypassing means to reroute existing wastewater flow to allow for new installation, repair or replacement of a wastewater line.

Categorical industrial user (CIU) or categorical standards means an existing or new industrial user in specific industrial sub-categories that have been established by the Federal Environmental Protection Agency under appropriate subparts of 40 CFR and the standards passed by the United States Congress to control water pollution by specific industries.

SPECIAL REFUNDING AGREEMENT

Citation means a formal written document given to a non-compliant user, wherein monetary fines, specific corrective actions, or a combination of both monetary fines and specific corrective actions are imposed against the non-compliant user.

City or City of Henderson means the City of Henderson (COH), a municipal corporation and political subdivision of the State of Nevada.

Community use recreational turf means any multi-purpose recreational area of turf at least two acres, but not less than 100 feet wide in any dimension, at any private or public park, school, or government facility.

Compliance response plan means a plan which provides guidance to City of Henderson personnel for enforcement actions necessary to remedy users in non-compliance.

Connection charge means the sum of the various fees charged for utility service including the system development charge, refunding fees, system development charge, main connection charge and lateral connection fee.

Council means the duly elected mayor and city council acting as a government body.

Customer means any person, owner, occupant, manager, developer, entity, or user of real property who is or has been a recipient of utility services.

Days means actual calendar days.

Dedication means a formal process by which the City of Henderson has been officially given all ownership rights to said property, facilities and/or premises.

Delinquent means being overdue in payment.

Department means City of Henderson department of utility services.

Developer means any person engaged in or proposing development of property, which shall include subdividers.

Direct discharge or discharge means the addition of any pollutant, directly or indirectly, into the publicly owned treatment works (POTW) or state waterways.

Director or director of utility services means the director of utility services for the City of Henderson or any of his duly authorized representatives.

Disabled person is a person meeting the following criteria: (1) a person who is the head of household; and (2) has been determined by a competent and licensed physician to be totally and permanently disabled.

Discontinuance of service means formal enforcement action taken against a non-compliant user, wherein the non-compliant user's water and/or wastewater service is shutdown or otherwise discontinued.

Drought means a combination of many complex factors acting and interacting with the environment resulting in water supplies not being replenished normally. In simple terms, a drought occurs when existing water supplies cannot meet established demands for a period of time.

Drought alert, drought critical, drought watch, no drought are references to drought alerts identified in the City of Henderson's adopted Southern Nevada Water Authority (SNWA) Drought Response Plan.

Easement means an acquired legal right to the use of land owned by others.

Effluent pH excursion means wastewater or other liquid, partially or completely treated, flowing from a basin, treatment process or treatment plant into the publicly owned treatment works (POTW) or state waterways: (1) the total time during which the pH value is outside the required range of the pH value shall not exceed two hours in any calendar month; and (2) no individual excursion from the required range of pH values shall exceed 15 minutes.

SPECIAL REFUNDING AGREEMENT

Equivalent dwelling unit (EDU) means a measure of water demand equivalent to the amount of water generated per annually by an average single-family residential dwelling unit. One EDU is equivalent to 0.75 acre-feet of water per year.

Equivalent residential unit (ERU) means a measure of wastewater equivalent to the amount of wastewater generated per day by an average single-family residential dwelling unit. One ERU is equivalent to 250 gallons per day.

Exemption means a determination by the city, or its designee, that a project is not subject to the rules and regulations of a particular section of this Code.

Fire service or fire service connection means a water service connection exclusively for fire suppression.

Fixture means a plumbing device or appliance that is connected to the water supply system and is also connected to the wastewater collection system of the city either directly or indirectly. Devices and appliance expressly excluded from this definition include, but are not limited to: air conditioner, boiler, coffee urn, disposal units, drinking fountain, glass filler, ice machine, refrigerator, soft drink machine, water softener and X-ray machine.

Grease interceptor means a plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept non-petroleum fats, oils and greases (FOG) from a wastewater discharge.

Hand-watering means the sporadic use or application of water outside any dwelling, building, or structure for any purpose by a customer or any person through a hose connected to a piping system while such hose is held by an individual.

Industrial means a distinct group of productive enterprises, primarily dealing with manufacturing activity.

Industrial waste means all water-carried waste by-products and wastewater excluding domestic wastewater and uncontaminated water from any manufacturing, processing, institutional, commercial, agricultural or other operation where the wastewater has significant quantities of non-human pollutants.

Industry means a recipient of city utility services not classified as residential or commercial.

Interceptor means a sewer main which is 15 inches or greater in diameter.

Interference means a discharge which alone or in conjunction with discharge(s) from other sources, either: (1) inhibits or disrupts the publicly owned treatment works (POTW) with its treatment processes or operations, or its sludge process, use or disposal; and causes a violation of any requirements of the city's National Pollutant Discharge Elimination System (NPDES) permit; or (2) discharges a daily pollutant load in excess of that permitted by the city or by federal, state or local law.

Manifolding or meter banking means more than one meter and service connection within close proximity of each other, configured and connected to a single service line supplying water to the property.

Maximum day demand means the maximum daily water demand as allowed by the director of utility services.

Pass-through means a discharge to the city's publicly owned treatment works (POTW) in quantities causing a violation of the city's National Pollutant Discharge Elimination System (NPDES) permit.

Pollutant means a substance that alters the chemical, physical or biological properties of receiving waters.

Positive shut-off nozzle means a device that automatically shuts off the flow of water through a hose or other item to which it is attached unless pressure is maintained on a trigger or other mechanism forming part of the device (also known as a trigger nozzle).

Premises means a structure or group of adjacent structures belonging to an individual or a group of individuals, receiving utility services.

SPECIAL REFUNDING AGREEMENT

Property means a tract of land, with or without structures, belonging to an individual or a group of individuals, receiving utility services.

Public water system means city-owned infrastructure, facilities, piping, and appurtenances used to treat and deliver water.

Publicly owned treatment works (POTW) means city-owned wastewater infrastructure, facilities, piping, and appurtenances used to collect, treat and discharge wastewater.

Raw water means source water that has not been processed for the removal of pollutants.

Reclaimed water means municipal wastewater processed to meet all applicable federal, state and local standards for use in applications approved by the director of utility services.

Refunding means a program established by the department of utility services which provides a mechanism for the city to enter into an agreement with a customer fronting the cost and building of utility infrastructure. The agreement provides for the repayment of a portion of such costs related to the design and construction of such infrastructure by other customers obtaining benefit from it.

Refunding report means a final report submitted to the city council by the director of utility services identifying the boundary of the special refunding area, the type and route of backbone infrastructure to be included, the service demands when the special refunding area is fully developed, methods of cost sharing, refunding amounts, depreciation times or any other information required to assist council in deciding on a special refunding area.

Resort hotel means any building or group of buildings that is maintained as and held out to the public to be a hotel where sleeping accommodations are furnished to the transient public and that has more than 200 rooms available for sleeping accommodations and meets at least two of the following criteria: (1) at least one bar with permanent seating capacity for more than 30 patrons that serves alcoholic beverages ordered by the drink for consumption on the premises; (2) at least one restaurant with permanent seating capacity for more than 60 patrons that is open to the public 24 hours each day and seven days each week; or (3) a gaming area within the building or group of buildings.

Responsible party means the individual, entity, company, contractor and/or developer that has signed the permit (also known as the permittee), and/or that is financially responsible.

Safe Drinking Water Act (SDWA) refers to Public Law 93-523 as amended that protects public health by regulating the nation's public drinking water supply. Under SDWA, the Environmental Protection Agency (EPA) sets standards for drinking water quality and oversees the states, localities, and water suppliers who implement those standards.

Senior citizen is a person meeting all of the following criteria: (1) a person who is the head of household; and (2) attained the age of 62; and (3) qualifies for the Clark County assessor senior citizen's property tax/rent relief program.

Service connection—dedicated residential or commercial fire service means the point of connection between a public water system and the customer water system, and defined as the downstream end of the valve connection at the public main.

Service connection—large meter (three inches or greater) means the point of connection between a public water system and the customer's water system, defined as the point where the piping exits the meter vault downstream of the meter on the exterior of the meter vault.

Service connection—small meter (less than three inches) and combined domestic fire service means the point of connection between a public water system and the customer water system, defined as the downstream end of the meter at the discharge point of the connected fitting or at the discharge point of the second angle meter stop.

Service connection—wastewater means the point of connection between a public collection system main and the wastewater service line or service lateral.

Service line—water or service lateral—water means the pipe from the city's water distribution main up to and including the meter and attached fittings.

SPECIAL REFUNDING AGREEMENT

Service line—wastewater or service lateral—wastewater means the pipe and all appurtenances located between a collection system main and the place where a customer of the public collection system discharges to the main.

Department service rules means reference to the document which contains, but is not limited to, the department of utility services' rates, fees, charges and procedures.

Sewer lateral access port means a structure or device designed to provide sewer access for the purpose of removing deposited or accumulated materials in the customer's sewer lateral.

Show cause hearing means a formal meeting held between the city and a non-compliant user that has failed to come into compliance, as a result of previous enforcement actions, wherein the non-compliant user is afforded an opportunity to "show cause" why the violations occurred.

Significant industrial user (SIU) means all categorical industrial users and any non-categorical industrial user that: (a) discharges 25,000 gallons per day or more of process wastewater; or (b) contributes a process waste stream which makes up five percent or more of the average dry weather hydraulic or organic capacity of the city's treatment plant; or (c) defined as a significant industrial user in 40 CFR 403.12(a) on the basis that the industrial user has a reasonable potential to adversely affect the city's treatment plant, pass-through of pollutants, sludge contamination or endangerment of POTW workers.

Slug load means discharges at volumes or concentrations more than those prescribed in the numeric local limits or for all chemicals not addressed by local limits.

Southern Nevada Water Authority (SNWA) means the organization by that name that has been formed by cooperative agreement among local agencies to address southern Nevada's water needs on a regional basis.

Standard refunding agreement means an agreement between the city and a customer that establishes the amount to be collected and refunded to participating parties as their prorated share, advanced for the construction of non-backbone infrastructure.

Special refunding agreement means an agreement between the city and a customer that establishes the final cost of work to be collected and refunded to participating parties as their prorated share, advanced for the cost of backbone infrastructure.

Surcharge means an additional charge to users who dispose of wastes which exceed standard wastewater strengths.

Suspended solids means material that is not dissolved in water or wastewater.

System development charge (SDC) means that portion of the connection charge determined to be the customer's proportionate share of the cost to provide utility service within the distribution and collection system.

Tamper or tampering means to introduce a contaminant into a public water system with the intention of harming persons; or to otherwise interfere with the operation of a public water system with the intention of harming persons.

Temporary service means an approved request for service under conditions approved by the city. This service provides no permanent right to water service and has a low priority. Service is approved at the sole discretion of the city.

Turf means a top layer of earth containing grass with its roots (also known as sod or lawn).

Upset means an exceptional incident in which there is unintentional and temporary non-compliance with the categorical pretreatment standards because of factors beyond the reasonable control of the industrial user. An upset does not include non-compliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless, improper operation (40CFR402(a)).

User means a recipient of city utility services.

SPECIAL REFUNDING AGREEMENT

Utility, utilities, or utility services means a public water, wastewater, reclaimed and/or raw water services provided by the City of Henderson which includes equipment to provide such service.

Wastewater backbone infrastructure means infrastructure such as lift stations and all connecting pipelines, generally 15 inches or larger in diameter, or as otherwise determined by the director, used to collect and transport wastewater from users or other facilities.

Water backbone infrastructure means infrastructure such as pump stations, reservoirs and all connecting pipelines or as otherwise determined by the director, used to transmit and distribute water to users or other facilities.

Water commitment—conditional and final means a final commitment to provide water service, conditioned upon completion of the requirements outlined in this title and the department service rules; or as otherwise determined by the director. Conditional means a commitment of water shall be deemed conditional, pending issuance of a certificate of occupancy. At no time shall a water commitment be considered a vested right until at a minimum, all fees relative to the provision of water service has been fully satisfied and service established in accordance with this title and the department service rules.

Water facilities means water transmission lines, water treatment facilities, reservoirs, pumping stations, distribution lines and appurtenances.

Chapter 14.0 - WATER REGULATIONS

14.03.010 - General provisions.

- A. *Purpose and policy.* This chapter sets forth responsibility, authority, and provisions to ensure compliance with all federal, state, and local requirements for the protection of public health, safety and welfare.
- B. *Scope.* The provisions of this chapter shall apply to all residents of the city, a responsible party operating, maintaining, repairing, relocating, removing, and/or disconnecting the public water system and/or publicly owned treatment works, and/or users of city-provided utilities.
- C. *Administration.* Except as otherwise provided herein, the director shall administer, implement, and enforce the provisions of this chapter. Any powers granted or duties imposed upon the director may be delegated by the director to persons acting in the beneficial interest of the city.
- D. *Compliance.* All provisions of this chapter are subject to compliance procedures as outlined in this title and the department service rules.

14.03.020 - Conditions of service.

- A. The city may, subject to the approval of the director, authorize the taking of water from a service line in accordance with this title and the department service rules. Where water is required for construction purposes or any other temporary use, the city may, subject to the approval of the director, authorize the taking of water from a temporary service line in accordance with this title and the department service rules.
- B. Applicants requesting service shall pay applicable fees and charges in accordance with this title and department service rules.
- C. The city reserves the right to specify or restrict the location, time, and rate of water use to avoid interference with service to other customers.
- D. The customer is responsible for all plumbing, piping, and appurtenances from the service connection to the point of use.
- E. Service lines shall be installed in accordance with adopted standards. The director reserves the right to determine the service size, service line material, meter size, location, installation configuration, and service connection.

SPECIAL REFUNDING AGREEMENT

- F. The customer shall furnish all necessary equipment to convey the water from the service connection to the customer point of use. In the case of mixed use developments, service connections shall be established and billed in accordance with the adopted standards and department service rules. Those units that are a combined commercial-residential unit shall be billed as commercial.
- G. Temporary water service will cease when a permanent demand for potable water has been established, including but not limited to fire service, domestic supply and landscape irrigation.
- H. The customer shall not operate the service in a manner which may create an adverse condition such as, but not limited to, low pressure, pressure surges, reduction of flow, or compromised water quality within the city's public water system.
- I. The city will endeavor to provide its customers with a continuous and adequate supply of water within reasonable maximum and minimum pressures. However, varying pressures will normally prevail throughout the distribution system due to changes in elevation, use, and other factors.
- J. Where prevailing water pressures fall outside of prescribed operating limits, applicants for service shall be responsible for installation of pressure regulators, storage tanks, pumps, or other devices as the director may require.
- K. Unless otherwise approved by the director, all privately owned systems shall remain privately owned and maintained.
- L. Unless otherwise approved by the director, all properties shall be provided domestic service through a single service connection. Where multiple services to a single property are allowed, said services shall be established in accordance with this title, the department service rules, and adopted standards.
- M. The city reserves the right to authorize use of facilities prior to final acceptance. Exercising such right does not infer acceptance or release of responsibility for compliance with any and/or all requirements of this title, adopted standards, and/or the department service rules.

14.03.030 - Service line requirements.

A. *Meters.*

1. A city-approved meter per adopted standards shall be installed on each service line to measure water usage.
2. The meter location shall be within the public right-of-way directly adjacent to the parcel being served. If street right-of-way is not available, the director may approve installation within an easement or alley adjacent to or on the parcel to be served. All meters shall be located where access by city personnel for operation and maintenance will not be restricted. The meter shall be located outside of travel lanes and driveways and shall be protected from vehicular traffic, unless otherwise approved by the director.
3. Any single family residential combination fire and domestic water system installed after February 1, 2009, shall have a minimum one inch residential fire meter installed.

B. *Valves.*

1. For services with a three-inch meter or larger where the service has been discontinued or it becomes necessary to shut off a service connection for repair of piping on the customer's property, a valve as required by adopted standards shall be installed prior to restoration of the service with all costs to be borne by the customer. Should the customer fail to make such repairs or corrections to the service conditions and the city has performed its due diligence to notify the customer to make such repairs or corrections, the director may authorize the city to make the necessary corrections, with the customer being responsible for reimbursement to the city for all costs incurred in addition to any penalties in accordance with this title and the department service rules.
2. Private property shutdowns conducted at the property owner's request shall be billed using the department's actual costs, with such costs being the responsibility of the property owner.

SPECIAL REFUNDING AGREEMENT

- C. *Fire service connections.* Fire service connections shall only be used for fire suppression. Should any unauthorized connection be made, the city reserves the right to shut off the service or install a meter at the customer's expense and charge for it at regular domestic rates.
- D. *Corrective actions.* When, in the opinion of the director, an existing service line becomes inadequate and/or a customer/owner has not complied with adopted standards, the city may choose to install, upgrade, and/or repair the service line with prior notification and at the customer/owner's expense. This expense shall be billed using the department's actual costs.

14.03.040 - Mains and main extensions.

- A. Unless otherwise approved by the director, all service connections shall be made to a main that is located immediately adjacent to the property requiring service. The director reserves the right to determine the main to which connection shall be made.
- B. Applicants requesting service to a property where no city main exists contiguous to the property must first arrange for a main extension in accordance with this title and department service rules. Where such main exists but does not extend across the full extent of the property frontage, the city may require the applicant to extend the main to such extent prior to obtaining utility service.
- C. All public mains shall be placed within a dedicated public street. Where no public street is available and upon approval by the director, a public main may be installed within a dedicated municipal utility easement. Said easement shall not be less than 20 feet in width and shall be contained within a single parcel of land. The easement shall increase by ten feet in width for each utility main added to the easement beyond a single main. All mains shall be centered in the available easement space. Unless otherwise allowed by the city, all utility easements in a subdivision, not within a public or private street, shall be within a common element. The easement width required may increase with a main deeper than standard. In such instance, the easement shall be perpetual in nature and unless otherwise approved by the director, shall be exclusive to the city. Proper access by city personnel to all areas within the easement must be provided. No building, structures, fences, trees, shrubs, or other improvements that interfere with its use by the city, can be placed within the easement. The city reserves the right to operate, maintain, repair, replace and/or change the size and/or number of mains and appurtenances within such easement. All such easements shall be granted to the city in a form and manner that is acceptable to the city.
- D. Unless otherwise approved by the director, it shall be unlawful for a property to operate a private well when such property lies within 400 feet of the city's water system. If deemed in the best interest of the city, the director may require the owner of such property to abandon all private wells in accordance with applicable federal, state, and local requirements, perform a main extension and establish water service from the city in accordance with the city's requirements.
- E. Unless otherwise approved by the director, water service must be obtained from the city whenever an undeveloped property initiates development through the city and such property lies within 400 feet of the city's water system. In such instance, a main extension shall be required and must be made in accordance with the city's requirements.
- F. In such instance where a parcel map is being proposed and offsite improvements are required as a condition of approval of such map, a main extension shall be required whenever the city's water system lies within the resulting calculation of 400 feet multiplied by the total number of lots created by recordation of such map, of such parcel of land. However, final determination, including application of this requirement, shall be made by the director.
- G. In such instance where a tentative map or planned unit development is being proposed and no city main exists contiguous to the property, a main extension shall be required and must be made in accordance with the city's requirements.
- H. Unless otherwise approved by the director, not more than one lot or other parcel of subdivided land shall be served by a single service connection. A single customer shall be responsible for payment of water bills for each such service. Additionally, where the city provides water and sewer service to a

SPECIAL REFUNDING AGREEMENT

single lot or other parcel of subdivided land, the same customer shall be responsible for payment of both the water and sewer bill.

1. Exception: In the case of a commercial subdivision whereby a single service line or service lines provide service to multiple lots or other parcels of subdivided land, a single customer shall exist in the form of a property owner's association. Said property owner's association shall be responsible for payment of all water and sewer bills associated with such service(s). Additionally, the subdivision shall record a declaration of covenants, conditions and restrictions (CC&Rs) in the office of the Clark County recorder, which designates that all of the lot owners in the subdivision own an undivided interest in the private water facilities, and that all of the lot owners must participate in the cost of the operation and maintenance of such private systems.
- I. Where multiple services are provided to a single lot or other parcel of subdivided land, a single customer shall be responsible for payment of water and/or sewer bills for all such services.
- J. When a main extension is required, the director reserves the right to dictate the size, length and capacity of such main. The applicant may apply for partial cost reimbursement through the establishment of a refunding agreement, as outlined in this title and department service rules.
- K. When a connection is made to any main, the main frontage fee is assessed in accordance with this title and the service rules. A minimum charge shall apply to any parcel having less than 60 feet of chargeable frontage.
- L. All mains and main extensions must be designed and constructed in accordance with the city's adopted standards.
- M. Before a main, service line, or connection is allowed to be placed into service, it shall be tested to the satisfaction of the city.
- N. The granting of a certificate of occupancy does not relieve the developer of its obligations relative to the construction of the main extension; nor does it imply that the mains have been properly constructed or accepted by the city.
- O. Upon completion of a main extension by a customer or subdivider, the customer or subdivider shall furnish the department a valid bill of sale conveying title to the city for such main and appurtenances, to include service lines, rights-of-way, and/or easements. Upon transfer of such title, the city reserves the right to provide direct or indirect service to any customer through the use of such mains and appurtenances.
- P. The developer is responsible to correct any defects or failures that occur relative to the design and construction of the main extension, within a period of one year from the date of acceptance of the work by the city. The developer shall, at the developer's own expense, make good such defects and failures and make all replacements and adjustments required, in accordance with the city's requirements. All repairs shall be subject to the approval of the city. Furthermore, developer is at no time relieved of any obligation or responsibility it may have by law, including but not limited to damages for latent deficiencies, injury to real or personal property or injury to or wrongful death of a person.
- Q. The developer shall indemnify, defend and hold harmless the city, its officers, agents, volunteers, and employees, against and from any and all liability, loss, damage, claims, fines, demands, causes of action, costs, expenses, and judgments of whatsoever nature, including but not limited to reasonable costs of investigation, reasonable attorneys' fees and expenses, all reasonable expert witness fees and expenses, and all court or arbitration or other alternative dispute resolution costs which result from injury to or death of any persons whomsoever, and/or against and from damage to or loss or destruction of property whatsoever when such injury, death, loss, destruction or damage is due to or arises in connection with or as a result of any work done by the developer, its contractors, agents and subcontractors in connection with the construction of the main and/or arises out of or in connection with developer's, or its contractors' and subcontractors' performance or failure to comply with the requirements of this title or the department's service rules.

SPECIAL REFUNDING AGREEMENT

14.03.050 - Backbone infrastructure.

A. *Extensions of backbone infrastructure.*

1. Unless otherwise approved by the director, construction and/or extensions of backbone infrastructure to support service to proposed developments, including all costs associated with such construction and/or extensions shall be the responsibility of the customer. Additionally, the design of such infrastructure, including the preparation of all applicable design reports shall be the responsibility of the customer, and shall be prepared in accordance with the city's requirements. By proceeding with the proposed development and associated backbone infrastructure required to support service to it, the customer acknowledges that they have gained a complete understanding of the city's requirements, and agree to comply with them accordingly.
2. Where the director determines it is in the city's best interest for the city to assume the responsibility for the construction and/or extensions of backbone infrastructure to support service to developments, or to participate in a cost-sharing with the customer responsible for such construction and/or extensions, the director reserves the right to establish a special refunding agreement in order to establish a means of receiving proportional cost reimbursement from customers that benefit from the construction of such infrastructure. Said special refunding agreement shall be established in accordance with the requirements outlined in this title and the department's service rules.
3. The granting of a certificate of occupancy does not relieve the customer of its obligations relative to the construction of the backbone infrastructure; nor does it imply that the backbone infrastructure has been properly constructed or accepted by the city.
4. The customer is responsible to correct any defects or failures that occur relative to the design and construction of the backbone infrastructure, within a period of one year from the date of acceptance of the work by the city. The customer shall, at the customer's own expense, make good such defects and failures and make all replacements and adjustments required, in accordance with the city's requirements. All repairs shall be subject to the approval of the city.
5. The customer, at all times, is not relieved of any obligation or responsibility it may have by law, including but not limited to damages for latent deficiencies, injury to real or personal property or injury to or wrongful death of a person.
6. The customer shall indemnify, defend and hold harmless the city, its officers, agents, volunteers, and employees, against and from any and all liability, loss, damage, claims, fines, demands, causes of action, costs, expenses, and judgments of whatsoever nature, including but not limited to reasonable costs of investigation, reasonable attorneys' fees and expenses, all reasonable expert witness fees and expenses, and all court or arbitration or other alternative dispute resolution costs which result from injury to or death of any persons whomsoever, and/or against and from damage to or loss or destruction of property whatsoever when such injury, death, loss, destruction or damage is due to or arises in connection with or as a result of any work done by the customer, its contractors, agents and subcontractors in connection with the construction of the backbone infrastructure, and/or arises out of or in connection with customer's, or its contractors' and subcontractors' performance or failure to comply with the requirements of this title or the department service rules.

- B. *Sizing of backbone infrastructure.* The director reserves the right to determine the size and capacity of the backbone infrastructure proposed for construction, taking into account projected service needs of the areas served and whenever it is deemed to be in the best interest of the city in order to provide for the orderly development of the city's public infrastructure system. Where said size or capacity of such backbone infrastructure is deemed to be in excess of the customer's needs to support their project, it shall be the customer's responsibility to comply with such requirement, with all costs associated with its compliance to be the sole responsibility of the customer. In such situations the customer may apply for a special refunding agreement in order to seek proportional cost reimbursement from other developers and/or landowners that benefit from the construction of such

SPECIAL REFUNDING AGREEMENT

infrastructure. Said special refunding agreement shall be established in accordance with the requirements outlined in this title and the department service rules.

14.03.060 - Property access.

City employees or a duly authorized city representative shall have the right to access customer's property or premises at reasonable times for any purpose related to the furnishing of service, protection of water quality and/or for verification of compliance with the provisions of this title. The city will attempt to provide prior notice where possible.

14.03.070 - System maintenance and repair.

- A. Upon dedication and/or acceptance of any part of the city's public water system, the city shall be responsible for its maintenance and repair, subject to any agreement covering the installation of such facilities.
- B. Street pavement and sidewalk replacement conducted by the department in association with system repairs are limited to standard asphalt and concrete types. Where a non-standard pavement or sidewalk exists, the city shall not be responsible for the replacement of such non-standard material.

14.03.080 - Interruption of service.

- A. The city will endeavor to notify customers in advance of any interruption in service due to repair, maintenance, or other causes. In emergency conditions, when notification is not possible or practical, service may be interrupted for indefinite periods. At no time shall the city be liable for loss and/or damages that may occur due to any interruption in service and/or due to system failure.
- B. In accordance with department service rules, written notification shall be provided to the director whenever persons are engaged in street work and/or onsite repairs, including but not limited to grading, directional boring, filling and trenching, and/or paving that may cause removal, displacement or modifications to any portion of the city's public water system, or any interruption of service to the city's customers. With the exception of emergencies, said work cannot proceed until permission is received from the director to conduct such activities.

14.03.090 - Violations.

Any person who fails or refuses to comply with any of the following provisions shall be deemed to be in violation of this title and shall be subject to discontinuance of service, subject to any penalties and charges assessed in accordance with this title and/or department service rules, and subject to all compliance procedures as prescribed within this title.

- A. Any person who negligently, recklessly or willfully introduces or causes to be introduced into the city's public water system, any pollutant or hazardous substance which such person knew, or with the exercise of reasonable due diligence would have known, could cause personal injury or system damage shall be deemed in violation of this chapter.
- B. Any person who tampers with a public water system is in violation of this chapter and United States Code 42 USC 300i-1.
- C. Any person who, without prior authorization by the city, operates, maintains, repairs, relocates, cuts, changes, removes, disconnects, repairs or interferes in any manner with the city's public water system, is in violation of this chapter.
- D. Any person or party who, with or without authorization by the city, takes actions which result in damage to any portion of the city's public water system, either directly or indirectly, is in violation of this chapter.
- E. Any person who takes water without applying for and receiving approval from the department for a service connection is in violation of this chapter.
- F. With the exception of construction phase meter set up and testing, it is prohibited to utilize spacers for the purpose of providing water service to the property.

SPECIAL REFUNDING AGREEMENT

- G. Manifolding and/or meter banking multiple meters for the purpose of reducing or avoiding service connection fees is prohibited.
- H. Any entry into city property and/or premises by an unauthorized person is prohibited and subject to enforcement procedures as outlined in this title.

Chapter 14.16 - REFUNDING REGULATIONS

14.16.010 - General provisions.

- A. *Purpose and policy.* This chapter sets forth responsibility, authority, and provisions to provide a mechanism for the orderly development of the utility system through refunding of costs associated with the design and construction of utility infrastructure.
- B. *Scope.* The provisions of this chapter shall apply to all residents of the city, a responsible party operating, maintaining, repairing, relocating, removing, and/or disconnecting the public water system and/or publicly owned treatment works, and/or users of city-provided utilities.
- C. *Administration.* Except as otherwise provided herein, the director shall administer, implement, and enforce the provisions of this chapter. Any powers granted or duties imposed upon the director may be delegated by the director to persons acting in the beneficial interest of the city.
- D. *Compliance.* All provisions of this chapter are subject to compliance procedures as outlined in this title and the department service rules.

14.16.020 - Cost for infrastructure.

The cost to design and construct any water, sewer, and/or reclaimed infrastructure required in connection with the extension of the public utility system to serve the customer shall be advanced by the customer requesting such service.

14.16.030 - Construction specifications.

All utility extensions, facilities and/or infrastructure to be constructed by the customer shall conform to adopted standards.

14.16.040 - Standard refunding.

A. *Standard refunding agreements.*

1. The city may enter into an agreement which provides for repayment of a portion of the cost of the main extension lying between the original point of supply and the customer's property from main frontage fees collected from other properties frontage to the main extension covered by such agreement during the term provided in the agreement or until the amount advanced by the customer has been satisfied, as determined in accordance with the provisions of this title and/or the department's service rules.
2. The following items may be eligible for standard refunding:
 - a. Water, sewer, and reclaimed water main extensions to a project;
 - b. Water, sewer, and reclaimed water main extensions adjacent to a project; and/or
 - c. Water, sewer, and reclaimed water mains replacing existing mains.
3. The period during which refunds are due shall be 20 years, commencing on the date when the infrastructure covered by the agreement is completed, tested, and accepted by the city.
4. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and acceptance criteria.
5. The city council shall grant the director the authority to enter into and execute any standard refunding agreement in which the city is not a participant. Should the city be a participant in a

SPECIAL REFUNDING AGREEMENT

standard refunding agreement, such agreement must be approved according to city standard operating procedures and policies.

B. *Standard refunding conditions.*

1. Application for standard refunding agreement shall be submitted to the department in writing accompanied by documentation as required by the city from customer(s) constructing such infrastructure covered by the agreement. This application shall be submitted within 90 days of date of acceptance by the city of the infrastructure to be covered by such agreement.
2. All customers entering into any refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable at the time of the execution of the agreement.
3. Customers may be eligible for a refund of main frontage fees collected by the city from other properties in accordance with this title.
4. All standard refunding calculations shall be rounded to the nearest foot and shall be assessed based on the frontage of the applicant's property, as indicated by the most current data in the Clark County assessor office records, adjacent to the right-of-way or easement where the existing water, sewer, or reclaimed water main is located in accordance with this title and/or the department's service rules.
5. After execution of a valid standard refunding agreement, all main frontage fees collected in accordance with this title and/or department service rules shall be paid within 60 days from the date of collection.
6. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a standard refunding agreement due to defective materials or workmanship the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter.

14.16.050 - Special refunding.

A. *Special refunding agreements.*

1. The city may enter into a special refunding agreement which provides for repayment of a portion of the cost of that backbone infrastructure lying between the original point of supply and the customer's property from special refunding fees to be collected by the city from other customers obtaining direct or indirect service from the backbone infrastructure during the term provided in the special refunding agreement, pursuant to this title, or until the proportional cost of design and construction advanced by the customer has been repaid, whichever is earlier.
2. Any special refunding agreement entered into by the city must be based upon a refunding report completed in accordance with the department service rules and adopted by the city council.
3. The term of any special refunding agreement shall be 20 years, which will commence on the date the infrastructure covered by the special refunding agreement is completed, tested and accepted by the city.
4. Application for special refunding agreement shall be submitted to the director in writing accompanied by documentation as required by the city within 90 days of the date of acceptance of the pre-design report by the city for the infrastructure to be covered by such agreement. All final costs are subject to verification by the city.
5. The amount subject to repayment under a special refunding agreement shall be the amount of the actual cost of the work as verified by the city. The final cost of the work shall be the basis for the determination and calculation of refunds under the special refunding agreement. Final costs that are eligible for inclusion in the special refunding agreement are:
 - a. Actual construction costs (including administration and safety and traffic control measures);
 - b. Design engineering costs and inspection costs not to exceed an aggregate 15 percent of item 5 of this section;

SPECIAL REFUNDING AGREEMENT

- c. Permits and fees;
 - d. Performance and related bond costs to the extent not included in item 5 of this section;
 - e. Actual financing costs related to subsections (A)(5)(a) through (A)(5)(d) of this section. Said financing costs shall be computed through the date of final acceptance of the backbone infrastructure by the city; and
 - f. All fees and expenses reasonably incurred concerning the preparation of the special refunding agreement shall be added to the refunding amount.
6. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and approval criteria.
- B. *Special refunding conditions.*
1. Customers entering into any special refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable upon execution of the agreement.
 2. After execution of a valid special refunding agreement, special refunding fees collected in accordance with this title and/or department service rules shall be paid to the customer within 30 days from the last business day of the quarter in which such fees were collected and will be issued in accordance to the procedures outlined in the department service rules.
 3. Special refunding fees collected by the city shall be computed as follows:
 - a. As to the portion of cost attributable to the holder of the special refunding agreement, advances shall be accrued quarterly with interest equal to one-fourth the prime rate plus two percentage points with a maximum of ten percent per year. The prime rate that is published in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report and being the prime rate published at the last business day of each calendar quarter for the subsequent quarter.
 - b. As to the portion of cost attributable to city, advances shall be accrued quarterly with interest equal to one-fourth the Merrill Lynch Bond Index for tax-exempt 30-year A-rated revenue bonds as printed in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report with a maximum of ten percent per year. The rate shall be based upon the index rate published the last business day of each calendar quarter for the subsequent quarter.
 - c. The amount that makes up the actual final cost of work shall be depreciated annually over 40 years using the straight-line method of depreciation or such time line as recommended and approved in the refunding report. The net book value of the infrastructure shall become the base for purposes of calculating amounts to be refunded and of computing the addition of accrued interest.
 4. Special refunding fees, as allocated in the refunding report to a customer, will only be made for utility infrastructure that service areas not only of the customers but areas designated in the approved refunding report.
 5. Special refunding fees will be made from fees collected from other customers or the city whose properties are served by the backbone infrastructure and paid prior to final issuance of a certificate of occupancy.
 6. In the event two or more customers have designed the same backbone infrastructure, those eligible costs, or an applicable portion thereof, paid by the customer who has submitted a performance bond to the city for construction of the relevant system or facility and has completed said construction shall be refunded.
 7. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a special refunding agreement due to

SPECIAL REFUNDING AGREEMENT

defective materials or workmanship on, the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter.

14.16.060 - Violations.

Any person who fails or refuses to comply with any provision of this chapter or department's service rules or who provides false information to the city shall be deemed to be in violation of this title and shall be subject to discontinuance of service; subject to any penalties and charges assessed in accordance with this title and/or department's service rules; and subject to all compliance procedures as prescribed within this title.

Certificate Of Completion

Envelope Id: 93046324AA184D148661ED965AB8D7B0	Status: Completed
Subject: Signature Needed-CMTS# 21069-DUS-ASCAYA Special Refunding	
Source Envelope:	
Document Pages: 62	Signatures: 6
Certificate Pages: 6	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Stephanie Allen
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	PO Box 95050
	Henderson, NV 89009-5050
	Stephanie.Allen@cityofhenderson.com
	IP Address: 205.174.30.97

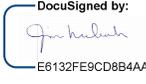
Record Tracking

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10/22/2018 8:00:46 AM	Stephanie.Allen@cityofhenderson.com	

Signer Events

Signer Events	Signature	Timestamp
Priscilla Howell priscilla.howell@cityofhenderson.com Director City of Henderson Security Level: Email, Account Authentication (Optional)	 <p>DocuSigned by: Priscilla Howell 296022B7AF2C4B8...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 205.174.30.97</p>	<p>Sent: 10/22/2018 8:29:08 AM Viewed: 10/22/2018 11:07:52 AM Signed: 10/22/2018 11:08:23 AM</p>

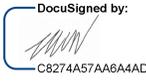
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Not Offered via DocuSign

Jim McIntosh jim.mcintosh@cityofhenderson.com Finance Director City of Henderson Security Level: Email, Account Authentication (Optional)	 <p>DocuSigned by: Jim McIntosh E6132FE9CD8B4AA...</p> <p>Signature Adoption: Uploaded Signature Image Using IP Address: 205.174.30.97</p>	<p>Sent: 10/22/2018 5:02:00 PM Viewed: 10/23/2018 2:27:25 PM Signed: 10/23/2018 2:27:32 PM</p>
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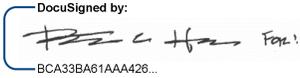
Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Becky Risse becky.risse@cityofhenderson.com Assistant City Attorney City of Henderson Security Level: Email, Account Authentication (Optional)	 <p>DocuSigned by: Becky Risse 24BD8F1226C9401...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 205.174.30.97</p>	<p>Sent: 10/23/2018 3:53:42 PM Viewed: 10/23/2018 4:21:42 PM Signed: 10/23/2018 6:04:49 PM</p>
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Nicholas G. Vaskov nicholas.vaskov@cityofhenderson.com City Attorney City of Henderson Security Level: Email, Account Authentication (Optional)	 <p>DocuSigned by: Nicholas G. Vaskov C8274A57AA6A4AD...</p> <p>Signature Adoption: Uploaded Signature Image Using IP Address: 205.174.30.97</p>	<p>Sent: 10/24/2018 6:59:11 AM Viewed: 10/27/2018 8:04:32 AM Signed: 10/27/2018 8:04:44 AM</p>
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Signer Events	Signature	Timestamp
Robert C. Herr for Robert.Herr@cityofhenderson.com Director PWPR City of Henderson Security Level: Email, Account Authentication (Optional)	 <p>Signature Adoption: Uploaded Signature Image Using IP Address: 205.174.30.97</p>	Sent: 10/29/2018 10:07:15 AM Viewed: 10/29/2018 11:51:04 AM Signed: 10/29/2018 11:51:23 AM

Electronic Record and Signature Disclosure:
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Stacey Brownfield for COH
 Stacey.Brownfield@cityofhenderson.com
 Assistant City Clerk
 City of Henderson
 Security Level: Email, Account Authentication (Optional)



Signature Adoption: Uploaded Signature Image
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 Signed: 10/29/2018 12:58:57 PM

Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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FI_GATEKEEPER
 FI_GATEKEEPER@cityofhenderson.com
 City of Henderson
 Security Level: Email, Account Authentication (Optional)



Using IP Address: 205.174.30.97

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Not Offered via DocuSign

CAO_Gatekeeper
 CAO_GATEKEEPER@cityofhenderson.com
 City of Henderson
 Security Level: Email, Account Authentication (Optional)



Using IP Address: 205.174.30.97

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CAO_Gatekeeper
 CAO_GATEKEEPER@cityofhenderson.com
 City of Henderson
 Security Level: Email, Account Authentication (Optional)



Using IP Address: 205.174.30.97

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Electronic Record and Signature Disclosure:
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CMO_Gatekeeper
 CMO_GATEKEEPER@cityofhenderson.com
 City of Henderson
 Security Level: Email, Account Authentication (Optional)



Using IP Address: 205.174.30.97

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 Completed: 10/29/2018 10:07:15 AM

Electronic Record and Signature Disclosure:
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Agent Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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CCO RECORDS ccorecords@cityofhenderson.com City of Henderson Security Level: Email, Account Authentication (Optional)	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue;">COPIED</div>	Sent: 10/29/2018 12:58:59 PM Viewed: 10/29/2018 1:02:45 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

Stephanie Allen stephanie.allen@cityofhenderson.com City of Henderson Security Level: Email, Account Authentication (Optional)	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue;">COPIED</div>	Sent: 10/29/2018 12:59:00 PM Resent: 10/29/2018 12:59:03 PM Viewed: 10/29/2018 1:01:21 PM
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	10/29/2018 12:59:00 PM
Completed	Security Checked	10/29/2018 12:59:00 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> •Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

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