

RESOLUTION

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**A RESOLUTION AUTHORIZING THE ISSUANCE OF THE "WASHOE COUNTY, NEVADA, TAXABLE/TAX-EXEMPT GENERAL OBLIGATION (LIMITED TAX) RENO-SPARKS CONVENTION & VISITORS AUTHORITY REFUNDING BONDS (ADDITIONALLY SECURED WITH PLEDGED REVENUES), SERIES 2019A" AND THE "WASHOE COUNTY, NEVADA, TAXABLE/TAX-EXEMPT GENERAL OBLIGATION (LIMITED TAX) RENO-SPARKS CONVENTION & VISITORS AUTHORITY REFUNDING BONDS (ADDITIONALLY SECURED WITH PLEDGED REVENUES), SERIES 2019B" FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE SECURITY THEREFOR AND OTHER DETAILS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.**

(1) WHEREAS, the County of Washoe, in the State of Nevada (the "County" and the "State," respectively), is a county incorporated and operating under the laws of the State; and

(2) WHEREAS, the Reno-Sparks Convention & Visitors Authority of the County (the "Authority") was duly created and organized as the County Fair and Recreation Board on March 27, 1959, pursuant to an act now cited as Sections 244A.597 through 244A.655, Nevada Revised Statutes ("NRS"), and all laws amendatory thereof (the "Act"), and pursuant to a resolution passed by the Board of County Commissioners (the "County Board" or the "Board") of the County on February 5, 1959; and

(3) WHEREAS, from time to time the members of the Authority have been duly appointed and qualified, and its officers have been duly chosen and qualified; and

(4) WHEREAS, pursuant to Chapter 432, Statutes of Nevada 1999 (the "Project Act"), the State has fixed and imposed certain license taxes for revenue upon hotels and motels and certain other rental businesses ("State License Taxes"), has ordered the collection of such State License Taxes, and has prescribed other details in connection therewith; and

(5) WHEREAS, pursuant to the Project Act, certain of the proceeds of the State License Taxes (the "Pledged State Revenues") by law have been made and are available by assignment for the payment of certain securities issued by the County, acting by and through the Authority, pertaining to the Reno-Sparks Convention Center (the "Convention Center"); and

(6) WHEREAS, other than the 1999B CABs (as defined herein) and the 2011 Bonds (as defined herein), the Authority has never pledged nor in any way hypothecated the Pledged State Revenues to the payment of any bonds or for any other purpose; and

(7) WHEREAS, the County Board was and is still authorized to fix and impose a license tax for revenue on and to regulate all character of lawful trades, callings, industries, occupations, professions and businesses conducted in the County outside of the limits of the incorporated cities and towns pursuant to NRS 244.335 (the "County Tax Act"), and pursuant to the County Tax Act the County Board has fixed and imposed license taxes for revenue upon

hotels and motels and certain other rental businesses ("County License Taxes"), has ordered the collection of such County License Taxes, and has prescribed other details in connection therewith; and

(8) WHEREAS, pursuant to NRS 268.095 (the "City Tax Act"), similar license taxes (the "City License Taxes") have been fixed, imposed and ordered collected by the City of Reno and the City of Sparks ("Reno" and "Sparks", respectively), being the only incorporated municipalities within the County; and

(9) WHEREAS, the funds derived from the County License Taxes and from the City License Taxes (collectively, the "Local License Taxes") by law have been made and are available by assignment for the payment of certain series of bonds (the "Facilities Bonds," as defined herein) issued by the County, acting by and through the Authority, and pertaining to certain of the recreational facilities of the County under the Authority's jurisdiction (the "Facilities"), and the payment of such Facilities Bonds, which are no longer Outstanding, was secured by a pledge by the net revenues derived from the Facilities (the "Facilities Net Revenues") and was additionally secured by a pledge of the net revenues derived from the Local License Taxes; and

(10) WHEREAS, except for the Facilities Bonds which are no longer Outstanding, the 1999B CABs (as defined herein) and the 2011 Bonds (as defined herein), the Authority has never pledged nor in any way hypothecated the Facilities Net Revenues or the Local License Taxes to the payment of any bonds or for any other purpose; and

(11) WHEREAS, the Authority, in the name of and on behalf of the County, has heretofore issued its "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues) Series 2011" (the "2011 Bonds"); and

(12) WHEREAS, pursuant to NRS 350.684, the Authority has determined and does hereby declare that it is in the best interests of the Authority to issue general obligation bonds in the name of and on behalf of the County in order to refund certain of the 2011 Bonds (the "Refunded Bonds") as set forth in the Escrow Agreement (hereinafter defined) (the "Project"); and

(13) WHEREAS, the Authority has determined that the bonds herein authorized to be issued in the name of and on behalf of the County shall be designed as the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A" (the "2019A Bonds") and the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019B" (the "2019B Bonds" and together with the 2019A Bonds, the "Bonds") in the aggregate principal amount necessary to effect the Project, estimated not to exceed \$70,000,000; and

(14) WHEREAS, the Authority hereby authorizes the Director of Finance of the Authority (the "Finance Director") to accept a binding bid or bids for the Bonds from the best

bidder or bidders therefor (collectively, the "Purchasers") which bid or bids offers to purchase each series of the Bonds bearing interest at the Taxable Rate(s) (defined herein) or the Tax-Exempt Rate(s) (defined herein) per annum, as applicable, provided in the purchase proposals submitted by the Purchasers and upon the other terms provided below (the "Purchase Proposals"), for a purchase price consisting of the principal amount of each series of the Bonds, plus a premium or less a discount not to exceed nine percent of such principal amount or amounts, all as specified by the Finance Director, or in his absence, the President, in a certificate dated on or before the date of delivery of the Bonds (the "Certificate of the Finance Director") which price does not result in an effective interest rate on each series of the Bonds in excess of three percent over the Index of Twenty Bonds most recently published in The Bond Buyer prior to the time bids were received for each series of the Bonds; and

(15) WHEREAS, the Bonds will be secured by (1) a pledge of the Pledged State Revenues and (2) a pledge of the Facilities Net Revenues and the Local License Taxes (collectively, the "Pledged Revenues"); and

(16) WHEREAS, the Authority has determined and does hereby declare that it is in the best interests of the Authority to issue the Bonds in the aggregate principal amount to be determined by the Finance Director (not to exceed \$70,000,000) and delegates to the Finance Director, as the chief financial officer of the Authority, or in his absence, the President as chief administrative officer of the Authority, the authority to accept the Purchase Proposals by executing the Certificate of the Finance Director, subject to the requirements set forth herein; and

(17) WHEREAS, the form of the Escrow Agreement (the "Escrow Agreement") between the County by and through the Authority and Zions Bancorporation, National Association, as the escrow agent (the "Escrow Agent") has been filed with the Finance Director; and

(18) WHEREAS, the Authority hereby elects to have the provisions of Chapter 348 of NRS (the "Supplemental Bond Act") apply to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE RENO-SPARKS CONVENTION & VISITORS AUTHORITY OF WASHOE COUNTY, NEVADA:

## **ARTICLE I**

### **SHORT TITLE, DEFINITIONS, INTERPRETATION, RATIFICATION, TRANSMITTAL, AND EFFECTIVE DATE**

Section 101.     Short Title. This resolution shall be known as and may be designated by the short title "2019 Reno-Sparks Convention & Visitors Authority Refunding Bond Resolution" (the "Resolution").

Section 102.     Meanings and Construction.

A.     Definitions. The terms in this Section defined for all purposes of this Resolution and of any instrument amendatory hereof or supplemental hereto, and of any other instrument or any other document relating hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

(1) "Acquire" or "acquisition" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or any combination thereof, of any properties relating to the Convention Center, or an interest therein, or any other properties herein designated.

(2) "Act" means the act authorizing the organization and reorganization of a county fair and recreation board in any county in the State, including, without limitation, the Authority and the County, respectively, and the exercise by the Authority on behalf of the County of certain powers therein designated and relating to recreational facilities, which act is now cited as NRS 244A.597 through 244A.655, as heretofore and hereafter from time to time amended.

(3) "Annual principal and interest requirements" means the sum of the principal of and interest on the Bonds and any other Outstanding designated securities (including any Appreciated Principal Amount thereof), payable from the Net Pledged Revenues having a lien thereon on a parity with the lien thereon of the Bonds, to be paid during any Bond Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided. In calculating this amount, the principal amount of bonds required to be redeemed prior to maturity pursuant to a mandatory redemption schedule contained in the resolution, ordinance or other instrument authorizing the issuance of such bonds shall be treated as maturing in the Bond Year in which such bonds are so required to be redeemed, rather than in the Bond Year in which the stated maturity of such bonds occurs.

(4) "Appreciated Principal Amount" means, with respect to each Capital Appreciation Bond as of any date of calculation, the sum of the original principal amount of the Capital Appreciation Bond, plus an amount calculated to result from a yield equal to the Initial Yield to Maturity, on the original principal amount of the Capital Appreciation Bond from its date to the date of calculation, based upon semiannual compounding on each July 1 and January 1.

(5) "Authority" means the Reno-Sparks Convention & Visitors Authority, constituting a recreation board under the Act and the Authority of the County so far as are concerned the powers granted thereto under the Act and the Project Act and all laws supplemental thereto, and including any successor Authority with respect to such powers.

(6) "Authority Treasurer" means the de jure or de facto treasurer chosen and designated as treasurer by the Authority, or his successor in functions, if any.

(7) "Banking institution" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and which is located within the United States; and such term includes, without limitation, any "trust bank" as herein defined.

(8) "Board" or "County Board" means the Board of County Commissioners of Washoe County, in the State of Nevada, including any successor authority of the County.

(9) "Bond Act" means NRS 350.500 through 350.720, and all laws amendatory thereof, designated in Section 350.500 thereof as the Local Government Securities Law.

(10) "Bond Fund" means the special account designated as the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues), Series 2019A&B, Pledged Revenues Interest and Principal Retirement Fund," created in Section 401 hereof, and required to be accumulated and maintained in Section 604 hereof.

(11) "Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, the Parity Securities and any additional bonds or other additional securities payable from the Pledged Revenues and hereafter issued, or such part of such securities or such other securities relating to the Convention Center as may be designated, as such principal, premiums and interest become due at maturity or on a Redemption Date designated in a mandatory redemption schedule, in a notice of prior redemption, or otherwise.

(12) "2019A Bonds" means the securities issued hereunder and designated as the Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A.

(13) "2019B Bonds" means the securities issued hereunder and designated as the Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019B.

(14) "Bonds" means collectively, the securities issued hereunder and designated as the Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A and the Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019B.

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

(16) "Budget Act" means NRS 354.470 to 354.626, inclusive, and all laws amendatory thereof, designated in NRS 354.470 thereof as the Local Government Budget Act.

(17) "1999B CABs" means securities designated as the "Washoe County, Nevada (Reno Sparks Convention & Visitors Authority) General Obligation (Limited Tax) Convention Center Capital Appreciation Bonds (Additionally Secured With Pledged Revenues), Series 1999B" authorized and issued in the initial aggregate principal amount of \$19,384,074.60.

(18) "Capital Appreciation Bonds" means the 1999B CABs.

(19) "Chairman" means the de jure or de facto chairman of the Authority, or his successor in functions, if any.

(20) "City" means any incorporated city within the County, now consisting of Reno and Sparks, and "Cities" means collectively all such incorporated cities.

(21) "City License Taxes" means the license tax for revenue upon hotels and motels and certain other rental businesses fixed by each City and assigned and pledged to the Bonds, pursuant to the City Tax Act, and the Act and all laws supplemental thereto, and includes any license taxes subsequently substituted therefor.

(22) "City Tax Act" means the act now cited as NRS 268.095, as heretofore and hereafter from time to time amended.

(23) "Clerk" or "County Clerk" means the de jure or de facto county clerk of the County and designated as such by the County, or his successor in functions, if any.

(24) "Combined maximum annual principal and interest requirements" means the greatest of the annual principal and interest requirements, including any Appreciated Principal Amount due in such year, to be paid during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. Any such computation shall be adjusted as provided in Sections 803C and D hereof, as the case may be, and shall be made by an Independent Accountant or by the Finance Director and the County Finance Director if expressly so required.

(25) "Comparable Bond Year" means, in connection with any Fiscal Year, the Bond Year which commences in the Fiscal Year. For example, for the Fiscal Year commencing on July 1, 2019, the Comparable Bond Year commences on July 2, 2019 and ends on July 1, 2020.

(26) "Cooperative Agreement" means the "Reno-Sparks Convention & Visitors Authority/Washoe County Cooperative Agreement Regarding General Obligation Backing of Bonds", as amended and restated, between the County and the Authority as such agreement may be further amended or restated.

(27) "Costs of Issuance Account" means the separate account created in Section 401 and known as the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A&B, Costs of Issuance Account" to be used for the purpose of paying the costs of issuance of the Bonds.

(28) "County" means the County of Washoe in the State, and constituting a political subdivision thereof, or any successor municipal corporation; and where the context so indicates, either such term means the geographical area comprising the County of Washoe. Except as otherwise expressly provided or necessarily implied herein or in any law of the State, the County shall act by and through the Authority; and subject to any such exception, no reference herein to the County shall be construed to the contrary.

(29) "County License Taxes" means the License Taxes for revenue upon hotels and motels fixed by the County, acting by and through the Board, and assigned and pledged to the Bonds, acting by and through the Authority, pursuant to the County Tax Act and the Project Act and all laws supplemental thereto, and includes any License taxes subsequently substituted therefor.

(30) "County Tax Act" means the act now cited as NRS 244.335, as heretofore and hereafter from time to time amended.

(31) "County Treasurer" or "Treasurer" means the de jure or de facto county treasurer of the County and designated as such by the County.

(32) "events of default" means the events stated in Section 1203 hereof.

(33) "Escrow Account" means the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A&B, Escrow Account" created in Section 401 herein.

(34) "Escrow Agreement" means the agreement between the County by and through the Authority and the Escrow Agent relating to the refunding of the Refunded Bonds.

(35) "Escrow Agent" means Zions Bancorporation, National Association and any successors thereto.

(36) "Facilities" means the convention and exposition hall buildings of the County, incidental facilities therefor, and other recreational facilities of the County under the jurisdiction of the Authority (including the Reno/Sparks Convention Center, the Reno Livestock Events Center and incidental recreational facilities therefor) owned, operated and maintained by the Authority, including, without limitation, public parks, playgrounds, other recreational facilities, buildings therefor, improvements thereto, and sites and grounds, equipment, and furnishings therefor, and including, without limitation, the Facilities acquired with the proceeds of certain bonds issued in 1960, 1963, 1966, and 1982, 1990, 1993, 1994, 1985, 1989 and 2000, and as the same may thereafter (both heretofore and hereafter) from time to time be extended or otherwise improved; provided, however, that the term "Facilities" does not include any facilities operated but not owned by the County under the jurisdiction of the Authority.

(37) "Facilities Bond Resolutions" means any resolutions authorizing the issuance of Facilities Bonds.

(38) "Facilities Bonds" means any bonds or securities payable solely from Facilities Pledged Revenues.

(39) "Facilities Net Revenues" means all the Facilities Revenues (after deduction of the operation and maintenance expenses of the Facilities).

(40) "Facilities Pledged Revenues" means the Facilities Net Revenues and all of the proceeds from the Local License Taxes, including interest and penalties, but excluding the

reasonable and actual costs of the collection of the Local License Taxes not exceeding for any collection period an amount equal to 10% of the gross revenues collected from the Local License Taxes as provided in Section 927 hereof. In clarification of the foregoing term: (i) all investment income from any fund or account established under the Facilities Bond Resolutions shall be treated as a part of the Facilities Net Revenues; and (ii) with respect to the Local License Taxes, nothing herein shall be deemed to be an assignment or pledge of Local License Taxes other than the Local License Taxes to be assigned and pledged by the Authority to the Bonds.

(41) "Facilities Revenues" means the gross revenues derived from the operation of the Facilities.

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

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

(44) "Finance Director" means the Director of Finance of the Authority, including the Acting Finance Director and in the event there is no Acting Finance Director, the President of the Authority, or his or her successor in functions, if any.

(45) "Fiscal Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada legislature changes the statutory fiscal year relating to the Authority and the Facilities, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

(46) "General Tax Interest Fund" means the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds, Series 2019A&B, General Tax Interest Fund," created in Section 501 hereof.

(47) "General Tax Principal Fund" means the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds, Series 2019A&B, General Tax Principal Fund," created in Section 501 hereof.

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

(49) Hereby," "herein," "hereinabove," "hereinafter," "hereinbefore," "hereof," and any similar term refer to this Resolution and not solely to the particular portion thereof in which the word is used; "heretofore" means before the adoption of this Resolution; and "hereafter" means after the adoption of this Resolution.

(50) "Improve" or "improvement" means the extension, widening, lengthening, betterment, alteration, reconstruction or other major improvement, or any combination thereof, of the Convention Center, or the acquisition of any properties relating to the Convention Center



or an interest therein, but does not mean renovation, reconditioning, patching, general maintenance or other minor repair occurring periodically at annual or shorter intervals.

(51) "Improvements" means the Convention Center facilities constructed, equipped, improved, renovated and otherwise acquired by bonds refinanced by the Project.

(52) "Income Fund" means the special account designated as the "Washoe County, Nevada, Convention Center Pledged Revenues Income Fund," created in Section 602 hereof.

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

(a) Who or which is, in fact, independent and not under the domination of the County;

(b) Who or which does not have any substantial interest, direct or indirect, with the County, and

(c) Who or which is not connected with the County as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the County.

(54) "Initial Yield to Maturity" means the yield on the original principal amount of each Capital Appreciation Bond with a value at maturity of \$5,000, from its date to the date of its maturity, compounded semiannually on each January 1 and July 1, which results in a value of \$5,000 at maturity.

(55) "Local License Taxes" means, collectively, the City License Taxes and the County License Taxes.

(56) "NRS" means Nevada Revised Statutes.

(57) "Newspaper" means a newspaper printed in the English language, published at least once each calendar week.

(58) "Operation and maintenance expenses," or any phrase of similar import, means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining and repairing the Facilities or of any other designated facilities in connection with which such term is used; and the term includes, at the option of the County, acting by and through the Authority, except as limited by law, without limitation:

(a) Engineering, auditing, reporting, legal and other overhead expenses of the various departments of the County directly related and reasonably allocable to the administration, operation and maintenance of the Facilities;

(b) Fidelity bond and property and liability insurance premiums relating to the Facilities, or a reasonably allocable share of a premium of any blanket bond or policy relating to the Facilities;

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

(d) Any general taxes, assessments, excise taxes or other charges which may be lawfully imposed on the County, the Facilities, revenues therefrom, or the Authority's income from or operations of any properties under its control and relating to the Facilities, or any privilege in connection with the Facilities or their operation;

(e) The reasonable charges of any depository bank relating to the Bonds and any other securities payable from the Pledged Revenues or otherwise relating to the Facilities;

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

(g) The costs incurred by the Authority in the collection and any refunds of all or any part of the Pledged Revenues;

(h) Any costs of utility services furnished to the Facilities by the County or otherwise;

(i) Any lawful refunds of any Pledged Revenues;

(j) The procurement (except as hereinbelow limited) and the administration of conventions held in the County; and

(k) All other administrative, general and commercial expenses relating to the Facilities; but

(i) Excluding any allowance for depreciation;

(ii) Excluding any costs of extensions, enlargements, betterments and other improvements (or any combination thereof);

(iii) Excluding any reserves for major capital replacements (other than normal repairs);

(iv) Excluding any reserves for operation, maintenance or repair of the Facilities;

(v) Excluding any allowance for the redemption of any Bond or other security evidencing a loan or other obligation, or the payment of any interest thereon, or any prior redemption premium due in connection therewith;

(vi) Excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities (or any combination thereof) relating to the Facilities, or otherwise;

(vii) Excluding any costs of advertising, publicizing and promoting the Facilities of the County; and

(viii) Excluding any liabilities incurred by the County as the result of its negligence in the operation of the Facilities or any other ground of legal liability not based on contract.

(59) "Operation and Maintenance Fund" means the special account designated as the "Washoe County, Nevada, Recreational Facilities Operation and Maintenance Fund," previously created and continued in Section 610 hereof.

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

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

(b) Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay which are on deposit with the Trustee;

(c) Except any Bond or other security for the payment or the redemption of which moneys at least equal to the County's Bond Requirements to the date of maturity or to any Redemption Date, shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 1001 hereof; and

(d) Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to Sections 305 or 1209 hereof.

(61) "Owner" or any similar term, when used in conjunction with any Bonds, or any other designated securities, means the registered owner of any Bonds or other security which is registrable for payment if it shall at the time be registered for payment otherwise than to bearer.

(62) "Parity Securities" means the 1999B CABs, the 2011 Bonds and any other bonds or securities which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds herein authorized.

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

(64) "Pledged Revenues" means (1) the pledge of the Pledged State Revenues and (2) a pledge of the Facilities Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification.

(65) "Pledged State Revenues" means the two percent of the gross receipts from the rental of transient lodging distributed to the Authority for the Project and the payment of the Bonds pursuant to Section 2(1) of the Project Act, including interest and penalties thereon. In clarification of the foregoing term: all investment income from any fund or account established under this Resolution (other than the Rebate Fund and the Revenue Stabilization Account) shall be treated as a part of the Pledged State Revenues.

(66) "Project" means the refunding of the 2011 Bonds designated in the Escrow Agreement and paying the costs of issuance of the Bonds.

(67) "Project Act" means Chapter 432, Statutes of Nevada 1999, authorizing the Project and the issuance of the Bonds, as cited or amended from time to time.

(68) "Project Architect" means any registered or licensed professional architect or engineer or firm of such architects or engineers, as from time to time determined by the Authority:

(a) Who has a favorable reputé for skill and experience in the field of designing, preparing plans and specifications for, and supervising the construction of, facilities like those comprising the Facilities;

(b) Who is entitled to practice and is practicing under the laws of the State; and

(c) Who is selected, retained and compensated by the Authority, in the name and on behalf of the County, and who may be in the regular employ or control of the County or the Authority.

(69) "Purchasers" means the lawful purchaser(s) of the Bonds designated in the Certificate of the Finance Director.

(70) "Rebate Fund" means the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds, Series 2019A&B, Rebate Fund" created in Section 609 hereof.

(71) "Redemption Date" means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from any Pledged

Revenues in any mandatory redemption schedules, or in any notice of prior redemption or otherwise fixed and designated by the County.

(72) "Refunded Bonds" means the maturities of the 2011 Bonds to be refunded by the Bonds as designated in the Escrow Agreement.

(73) "Reno" means the City of Reno, Nevada.

(74) "Revenue Stabilization Account" means the means the "Washoe County, Nevada, Reno-Sparks Convention & Visitors Authority Revenue Stabilization Account" heretofore created and continued in Section 409 of the resolution authorizing the issuance of the 2011 Bonds and continued herein.

(75) "Secretary" means the de jure or de facto secretary of the Authority and designated as such by the Authority, or his successor in functions, if any.

(76) "Sparks" means the City of Sparks, Nevada.

(77) "State" means the State of Nevada, in the United States; and where the context so indicates, "State" means the geographical area comprising the State of Nevada.

(78) "State License Taxes" means the license taxes for revenue upon hotels and motels fixed by the State, a portion of which are assigned for a pledge to the Bonds, pursuant to the Project Act and all laws supplemental thereto, and includes any license taxes subsequently substituted therefor.

(79) "Subordinate Securities" means bonds or securities which have a lien on the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds herein authorized.

(80) "Superior Securities" means bonds or securities which have a lien on all or a portion of the Pledged Revenues that is superior to the lien thereon of the Bonds herein authorized.

(81) "Taxable Interest" means the interest borne by each series of the Bonds prior to the Tax-Exempt Reissuance Date for each series of the Bonds, which interest shall be included in gross income for federal income tax purposes.

(82) "Tax-Exempt Interest" means the interest to be borne by each series of the Bonds on and after the Tax-Exempt Reissuance Date for each series of the Bonds, which interest is excluded from gross income for federal income tax purposes.

(83) "Taxable Rate" means the rate or rates of interest per annum that will apply to each series of the Bonds prior to the Tax-Exempt Reissuance Date for each series of the Bonds, as set forth in the Certificate of the Finance Director.

(84) "Tax-Exempt Bonds" means each series of the Bonds on and after the applicable Tax-Exempt Reissuance Date.

(85) "Tax-Exempt Rate" means the rate or rates of interest per annum which will apply to the Tax-Exempt Bonds, as set forth in the Certificate of the Finance Director.

(86) "Tax-Exempt Reissuance Date" means the date on which each series of the Bonds bearing Taxable Interest are reissued (for federal income tax purposes) for each series of the Bonds bearing Tax-Exempt Interest. Such date may not occur until the Authority has provided the registered owners of the applicable series of Bonds with 10 days' notice of the Authority's intent to reissue each series of the Bonds as Tax-Exempt Bonds and, provided such notice has been given, such notice shall be deemed to occur on the date the Tax-Exempt Reissuance Opinion is delivered to the Authority and all registered owners of each series of the Bonds are permitted to rely on such Tax-Exempt Reissuance Opinion.

(87) "Tax-Exempt Reissuance Opinion" means an opinion of nationally recognized bond counsel to the effect that, on and after the Tax-Exempt Reissuance Date, the interest on the Tax-Exempt Bonds will be excluded from the gross income of the recipients thereof for federal income tax purposes. The Tax-Exempt Reissuance Opinion will be delivered to the Authority but all registered owners of each series of the Bonds on the Tax-Exempt Reissuance Date shall be entitled to receive a reliance letter with respect thereto.

(88) "Tax Code" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds.

(89) "Taxes" means General Taxes.

(90) "Trust bank" means a "banking institution," as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

(91) "Trustee" means Zions Bancorporation, National Association, a national banking association duly organized and existing under the laws of the State of Nevada, being authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America.

B. Construction. This Resolution, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(1) Words in the singular number include the plural, and words in the plural include the singular.

(2) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(3) The titles and leadlines applied to articles, sections, subsections and paragraphs of this Resolution are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Resolution.

(4) Any securities payable from any Pledged Revenues and held by the County shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for other purposes provided herein.

Section 103. Successors. Whenever herein the County or the Authority is named or is referred to, such provision shall be deemed to include any successors of the County or the Authority, respectively, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the County or the Authority contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the County or the Authority or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 104. Parties Interested Herein. Except as herein otherwise expressly provided, nothing herein expressed or implied confers upon or gives to any Person (other than the Trustee, the owners from time to time of the Bonds and the owners of any other securities payable from Pledged Revenues when reference is expressly made thereto, as well as the County and the Authority) any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Authority, the Trustee, any owner of any Bonds and any owner of any such other security in the event of such a reference.

Section 105. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Authority, the officers of the County, and otherwise by the County directed:

- A. Project. Toward the Project, and
- B. Bonds. Toward the sale of the Bonds to the Purchasers for that purpose, hereby is ratified, approved and confirmed.

Section 106. Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute an irrevocable contract between the County and the owner or owners of the Bonds; and this Resolution (subject to the provisions of Section 1101 and of Article XIII hereof), if any Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, except as herein otherwise expressly provided.

Section 107. Repealer. All bylaws, orders and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of the inconsistency. This repealer shall not be construed to revive any bylaw, order or other instrument, or part thereof, heretofore repealed.

Section 108. Severability. If any section, subsection, paragraph, clause or other provision of this Resolution shall for any reason be held to be invalid or unenforceable, the

invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution.

Section 109.     Effective Date. This Resolution shall be in full force and effect from and after its adoption.



**ARTICLE II**  
**AUTHORITY'S DETERMINATIONS, AUTHORITY FOR AND**  
**AUTHORIZATION OF PROJECT, NECESSITY OF**  
**PROJECT AND BONDS, PROJECT COST, AND**  
**OBLIGATION OF COUNTY**

Section 201.     Authority for this Resolution. This Resolution is adopted by virtue of the Act, the Project Act, the Bond Act and the Supplemental Bond Act and pursuant to their provisions; and the County and the Authority have ascertained and hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effectuate the purposes of the County and the Authority in accordance with the Act, the Project Act, the Bond Act, and the Supplemental Bond Act and as provided in NRS 350.708 all limitations in the Bond Act imposed upon the issuance of bonds or other securities thereunder, have been met.

Section 202.     Life of Refinanced Improvements. The Authority, on behalf of the County, has determined and does hereby declare:

A.     Estimated Life. The estimated life or estimated period of usefulness of the Improvements to be refinanced by the Bonds is not less than 40 years from December 1, 2001; and

B.     Bond Term. The Bonds shall mature at times not exceeding such estimated life or estimated period of usefulness.

Section 203.     Necessity of Project and Bonds. It is necessary and for the best interests of the County and the inhabitants thereof that the County effect the Project and defray the cost thereof by issuing the Bonds; and it is hereby so determined and declared.

Section 204.     Acceptance of Purchase Proposals and Execution of the Escrow Agreement. In accordance with the Project Act and with this Resolution, the Finance Director, or in his absence, the President, is authorized to accept the Purchase Proposals by the execution of the Certificate of the Finance Director. The Finance Director is authorized to execute the Escrow Agreement subject to the terms of this Resolution and in substantially the form on file with the Secretary of the Authority, with such changes as are acceptable to the Finance Director, or in his absence the President, whose execution of the Escrow Agreement shall be conclusive evidence of consent to any such changes.

Section 205.     Authorization of Project. The Authority, on behalf of the County, does hereby determine to proceed with the Project as hereinabove delineated; and the Project is hereby so authorized.

Section 206.     Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the County shall be for the equal benefit, protection and security of the owners of any and all of the Bonds, all of which, regardless of the time or times of their issue

or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Resolution.

Section 207. General Obligations. The full faith and credit of the County are hereby pledged to the payment of the Bond Requirements of the Bonds; they shall constitute general obligations of the County and shall be payable from General Taxes on all taxable property within the County (except to the extent any Pledged Revenues or other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State.

Section 208. Additional Security. The payment of the Bond Requirements of the Bonds is additionally secured by an irrevocable pledge of and by a lien (but not necessarily an exclusive lien) on the Pledged Revenues.

Section 209. No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the County, except the proceeds of the Pledged State Revenues, the Facilities Pledged Revenues, and any other moneys pledged for the payment of the Bonds. No property of the County, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Bonds.

Section 210. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Resolution authorizing their issuance or any other instrument relating thereto, against any individual member of the Authority or any officer or other agent of the Authority or County, past, present or future, either directly or indirectly through the Authority or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released.

**ARTICLE III**  
**AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE**  
**OF BONDS**

Section 301. Authorization of Bonds. The "Washoe County, Nevada (Reno-Sparks Convention & Visitors Authority) Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A" to be issued in the aggregate principal amount designated in the Certificate of the Finance Director and the "Washoe County, Nevada (Reno-Sparks Convention & Visitors Authority) Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019B" to be issued in the aggregate principal amount designated in the Certificate of the Finance Director, are hereby authorized to be issued, pursuant to the Act, the Project Act and the Bond Act; and the County pledges irrevocably, but not necessarily exclusively, the Pledged Revenues to the payment of the Bond Requirements of the Bonds, the proceeds of the Bonds to be used solely to defray wholly or in part the cost of the Project.

Section 302. Bond Details. The 2019A Bonds and the 2019B Bonds shall be issued in fully registered form each as a single Bond, shall be dated as of the date of their delivery and shall each bear interest from their dated date until the principal thereof is paid in full at the Taxable Rate or the Tax-Exempt Rate per annum, as applicable, set forth in the Certificate of the Finance Director. Interest on the Bonds shall be calculated on the basis of a 360-day year (twelve 30-day months), payable semiannually on each January 1, and July 1, commencing on January 1, 2020. The installments of principal of each series of the Bonds shall be payable on the dates and in the amounts set forth in the Certificate of the Finance Director (not to exceed 14 years from the date of each series of the Bonds and unless the principal of each series of the Bonds is prepaid as provided herein). Installments of principal and interest prior to each final payment shall be made by wire or check mailed by the Trustee on each payment date (or, if such payment date is not a business day, on the next succeeding business day) to the owners thereof, at his or her address as shown on the registration records kept by the Trustee, as of the close of business on the day next preceding each payment date. The final payment on each series of the Bonds shall be made only upon presentation and surrender of the applicable Bonds at the office of the Trustee or such other office as designated by the Trustee. If any installment of principal of each series the Bonds shall not be paid when due, such installment shall continue to draw interest at the Taxable Rate or the Tax-Exempt Rate per annum, as applicable, set forth in the Certificate of the Finance Director until such installment of principal is paid in full. The Trustee may make payment on any installment of principal on or interest of each series of the Bonds by such alternative means as may be mutually agreed to between the owners of such Bonds and the Trustee. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Trustee.

Section 303. Prepayment. The installments of principal of each series of the Bonds or any portion thereof are subject to prepayment, at the option of the Authority, as set forth in the Certificate of the Finance Director, upon at least 10 days written notice by first class mail,

postage prepaid, to the applicable registered owner of the Bonds as shown on the registration records maintained by the Trustee.

Notwithstanding the foregoing provisions of this Section, any notice of prepayment may contain a statement that the prepayment is conditioned upon the receipt by the Trustee of funds on or before the date fixed for prepayment sufficient to pay the prepayment price of the Bonds so called for prepayment, and that if such funds are not available, such prepayment shall be canceled by written notice to the owner of the applicable Bonds in the same manner as the original prepayment notice was given.

Section 304. Reissuance of Bonds as Tax-Exempt Bonds. The Bonds shall initially be issued bearing Taxable Interest. On and after the applicable Tax-Exempt Reissuance Date, if any, each series of the Bonds will be reissued (for federal income tax purposes) as Tax-Exempt Bonds bearing Tax-Exempt Interest. The (i) issuance of a Tax-Exempt Reissuance Opinion upon which all bondholders are permitted to rely, (ii) receipt of a completed and signed IRS Form 8038-G, (iii) a tax certificate of the Authority, and (iv) the Authority not being in default of any of its payment obligations hereunder are conditions precedent to the occurrence of the applicable Tax-Exempt Reissuance Date. If such conditions precedent are not satisfied, there will be no Tax-Exempt Reissuance Date, the applicable series of Bonds will continue to bear Taxable Interest, and the interest thereon will be included in the gross income of the recipients thereof for federal income tax purposes. By its purchase of each series of the Bonds, each registered owner of the Bonds consents to the reissuance of the applicable series of the Bonds as Tax-Exempt Bonds bearing Tax-Exempt Interest on and after the applicable Tax-Exempt Reissuance Date, subject to satisfaction of the foregoing conditions precedent.

Section 305. Registration, Transfer and Exchange of Bonds.

A. Records for the registration and transfer of each series of the Bonds shall be kept by the Trustee. Upon the surrender of the Bonds at the Trustee, duly endorsed for transfer or accompanied by an assignment in a form satisfactory to the Trustee duly executed by the owner or his or her attorney duly authorized in writing, the Trustee shall register and deliver in the name of the transferee or transferees a new Bond. For every transfer of the Bonds requested by the owner thereof, the Trustee may make a sufficient charge to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing and registering a new Bond.

B. The person in whose name each series of the Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes. Payment of or on account of either principal or interest on each series of the Bonds shall be made only to or upon the written order of the owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon each series of the Bonds to the extent of the sum or sums so paid.

C. If the Bonds shall be lost, stolen, destroyed or mutilated, the Trustee shall, upon receipt of such evidence, information or indemnity relating thereto as it or the Authority may reasonably require, and upon payment of all expenses in connection therewith, register and deliver a replacement Bond of a like aggregate principal amount and tenor. If such lost, stolen,

destroyed or mutilated Bonds shall have matured, the Trustee may direct that the Bonds be paid by the Trustee in lieu of replacement.

D. Whenever the Bonds shall be surrendered to the Trustee upon payment thereof, or to the Trustee for transfer or replacement as provided herein, the Bonds shall be promptly canceled by the Trustee, and counterparts of a certificate of such cancellation shall be furnished by the Trustee to the Authority, upon request.

Section 306. Execution and Registration.

A. Filings with Secretary of State. Pursuant to the Bond Act, and to the act cited as the Uniform Facsimile Signatures of Public Officials Act, cited as chapter 351 of NRS, and prior to the execution of any Bonds by facsimile signature, the Chairman of the Board of County Commissioners of the County, the County Clerk, the County Treasurer and the Chairman of the Authority shall each file with the Secretary of State of the State of Nevada his or her manual signature certified by such officer under oath.

B. Manner of Execution. Each Bond shall be approved, signed and executed in the name of and on behalf of the County with the manual or facsimile of the signature of the Chairman of the Board of County Commissioners and shall be countersigned and executed with the manual or facsimile of the signatures of the County Treasurer and the Chairman of the Authority and shall be authenticated with the manual or facsimile impression of the official seal of the County; and shall be signed, executed, and attested with such a manual or facsimile signature of the County Clerk.

C. Registration. The Bonds shall not be valid or obligatory for any purpose unless the applicable registration panel appended to the Bonds, substantially in the form hereinafter provided, has been manually executed by the Trustee. By manually executing the applicable registration panel appended to the Bonds, the Trustee shall be deemed to have assented to all of the provisions of this Resolution.

Section 307. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that before the delivery thereof and the payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Each the Chairman of the Board, the Chairman of the Authority, the County Treasurer, and County Clerk, at the time of the execution of the Bonds and of a signature certificate pertaining thereto by the Chairman of the Board, the Chairman of the Authority, the Treasurer and the County Clerk, respectively, may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 308. Incontestable Recital in Bonds. Pursuant to NRS 350.628, each Bond shall recite that it is issued pursuant to the Act, the Project Act, to the Bond Act, and to the Supplemental Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 309.     State Tax Exemption. Pursuant to NRS 350.710, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A, NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B, NRS.

Section 310.     Bond Execution. The Chairman of the Board of County Commissioners, the Authority Chairman, the County Treasurer, and the County Clerk are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

Section 311.     Initial Registration. The Trustee shall maintain the registration records of the Authority for each series of the Bonds, showing the name and address of the owners of the Bonds, the date of registration, the final maturity of the Bonds, and their interest rate or rates, principal amounts and numbers.

Section 312.     Bond Delivery. After registration of the Bonds by the Trustee and execution of the Bonds in accordance with the terms of this Resolution and other provisions herein supplemental thereto, the Treasurer shall cause each series of the Bonds to be delivered to the applicable Purchasers thereof, upon payment being made therefor on the terms of the sale of the Bonds.

Section 313.     Bond Form. Subject to the provisions of this Resolution, each 2019A Bond and each 2019B Bond shall be in substantially the following applicable form, with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this resolution, or be consistent with this resolution and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**WASHOE COUNTY, NEVADA  
(RENO-SPARKS CONVENTION & VISITORS AUTHORITY)  
TAXABLE/TAX-EXEMPT GENERAL OBLIGATION (LIMITED TAX)  
RENO-SPARKS CONVENTION & VISITORS AUTHORITY BOND  
(ADDITIONALLY SECURED WITH PLEDGED REVENUES)  
SERIES 2019[A][B]**

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

Dated: \_\_\_\_\_, 2019

Principal Amount: \$ \_\_\_\_\_

The County of Washoe in the State of Nevada (the "County" and the "State", respectively), for value received hereby acknowledges itself to be indebted and promises to pay to the registered owner specified on the registration panel appended hereto, or registered assigns, the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) maturing in installments on the dates and in the amounts set forth in Exhibit A attached hereto. The Bond shall bear interest from its dated date until the principal hereof is paid in full at the Tax Exempt Rate (defined below) or the Taxable Rate (defined below), as applicable, per annum. Interest on the Bond shall be calculated on the basis of a 360-day year (twelve 30-day months), payable semiannually on each January 1 and July 1, commencing January 1, 2020. The installments of principal of the Bond shall be payable on the dates and in the amounts set forth in Exhibit A attached hereto (unless the principal of the Bond is prepaid).

The final payment of principal of and interest on this Bond is payable upon presentation and surrender hereof at the office of Zions Bancorporation, National Association, as the trustee for the Bond (the "Trustee") or such other trustee as designated by the Authority. Installments of principal and interest on this Bond prior to the final payment will be made by wire or check mailed by the Trustee on each payment date (or, if such date is not a business day, on the next succeeding business day) to the person in whose name this Bond is registered (the "registered owner") in the registration records of the Authority maintained by the Trustee, at the address appearing thereon as of the close of business on the day next preceding such payment date. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and the Trustee, as provided in the resolution of the Reno-Sparks Convention & Visitors Authority (the "Authority") adopted and approved on April 25, 2019 authorizing the issuance of the this Bond (the "Resolution"). All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Trustee.

From the date of delivery of this Bond until the Tax-Exempt Reissuance Date (as defined in the Resolution), interest on the unpaid installments of principal of this Bond shall bear interest at the rate of \_\_\_\_\_% per annum (the "Taxable Rate"). On and after the Tax-Exempt Reissuance Date, interest on the unpaid installments of principal of this Bond shall bear interest at the rate of \_\_\_\_\_% per annum (the "Tax-Exempt Rate").

This Bond must be registered in the name of the owner as to both principal and interest on the registration records kept by the Trustee in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Resolution. This Bond may be transferred upon presentation to the Trustee in accordance with the Resolution, and no transfer of this Bond shall be valid unless noted on the registration panel appended hereto and the registration records maintained at the office of the Trustee.

The Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment and for all other purposes and neither the Authority nor the Trustee shall be affected by notice to the contrary.

\*The Bonds are subject to prepayment as set forth in the Resolution and the Certificate of the Finance Director dated on or before the date of delivery of the Bonds.\*

The County, the Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the Resolution) and for all other purposes and the County, Authority and the Trustee shall be not affected by notice to the contrary.

The Bonds are issued by the Authority on the behalf and in the name of the County and upon the credit thereof, for the purpose of defraying, in whole or in part, the costs of the Project, as defined in the Resolution, under the authority of and in full conformity with the Constitution and laws of the State and the County and pursuant to the Resolution.

It is hereby certified, recited and warranted that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State; that provision has been made for the levy and collection of annual general (ad valorem) taxes ("General Taxes") sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements according to the terms of this Bond.

The payment of the Bonds, as to all Bond Requirements, is additionally secured by an irrevocable pledge of the Pledged Revenues which are comprised of: (1) the two percent of the gross receipts from the rental of transient lodging distributed to the Authority for the Project and the payment of the Bonds pursuant to Section 2(1) of the Project Act, including interest and penalties thereon and also including all investment income from any fund or account established under the Resolution (the "Pledged State Revenues") and (2) a pledge of (a) the revenues derived by the County from the operation of the County's exposition and convention hall buildings, incidental recreational facilities therefor, and certain other recreational facilities of the County under the Authority's jurisdiction, operated and maintained by the Authority, including, without limitation, public parks, playgrounds, other recreational facilities, buildings therefor, improvements incidental thereto, and sites and grounds, equipment and furnishings therefor, all as from time to time extended or otherwise improved, or any combination thereof (the "Facilities") after the deduction of operation and maintenance expenses of the Facilities, and (b) revenues derived by the County from the collection of certain license taxes further described in



the Resolution fixed and imposed for revenues by the County and the Cities of Reno and Sparks upon certain operators of the hotels and motels and certain other rental businesses but excluding the reasonable costs of the collection of the license taxes not exceeding for any collection period an amount equal to ten percent per annum (10%) of the gross revenues collected therefrom (the "Facilities Net Revenues" and the "Local License Taxes", respectively, and collectively designated the "Facilities Pledged Revenues" and together with the Pledged State Revenues, the "Pledged Revenues").

Payment of the Bond Requirements due in connection with the Bonds may be made from and as security for such payment there is irrevocably and exclusively pledged, pursuant to the Resolution, a special account thereby created and identified as the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues), Series 2019A&B, Pledged Revenues Interest and Principal Retirement Fund", into which account the County covenants to pay from the revenues derived from the Pledged Revenues sums sufficient to pay when due the Bond Requirements of the Bonds, except to the extent other moneys are available therefor.

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and the Bonds, constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with the Parity Securities. Bonds and other securities, subject to expressed conditions, may be issued and made payable from all or a portion of the Pledged Revenues having a lien thereon subordinate and junior to the lien of the Bonds. Bonds and other securities having a lien on all or a portion of the Pledged Revenues on a parity with or superior to the lien thereon of the Bonds may also be issued, subject to expressed conditions.

The County covenants and agrees with the owner of this Bond and with each and every person who may become the owner hereof that it will keep and will perform all of the covenants of the Resolution.

Reference is made to the Resolution, and to any and all modifications and amendments thereof, to an act cited as Sections 244A.597 through 244A.655, Nevada Revised Statutes ("NRS"), and all laws amendatory thereof (the "Act"), to an act cited as "Chapter 432 Statutes of Nevada 1999" (the "Project Act") and to a supplemental act cited as NRS 350.500 through 350.720, and all laws amendatory thereof, designated in NRS 350.500 thereof as the Local Government Securities Law, and to Chapter 348 of NRS (the "Supplemental Bond Act"), and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the General Taxes, accounts, funds and revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights and remedies of the owners of the Bonds.

The Bonds are issued pursuant to the Act, the Project Act, the Local Government Securities Law, and the Supplemental Bond Act, and pursuant to NRS 350.628, Local Government Securities Law, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 350.710, Local Government Securities Law, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof except the tax on estates imposed

pursuant to chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to chapter 375B of NRS.

To the extent and in the respects permitted by the Resolution, the provisions of the Resolution or any instrument amendatory thereof or supplemental thereto may be modified or amended by action of the County or the Authority taken in the manner and subject to the conditions and exceptions prescribed in the Resolution. The pledge of revenues and other obligations of the County and the Authority under the Resolution may be discharged at or prior to the respective maturities of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the County and the Authority in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, particularly under the terms and provisions of the Act, the Project Act, the Local Government Securities Law, the Supplemental Bond Act, and all laws supplemental thereto, and with the Resolution; and that this Bond does not contravene any constitutional or statutory limitation.

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

This Bond shall not be valid or obligatory for any purpose until a manual signature of a duly authorized officer of the Trustee has been affixed on the on the registration panel appended hereto.

IN WITNESS WHEREOF, the County has caused this Bond to be signed and executed in its name and upon its behalf with the manual or facsimile signature of the Chairman of its Board of County Commissioners, to be countersigned and executed with the manual or facsimile signature of the County Treasurer and to be countersigned, subscribed and executed with the manual or facsimile signature of the Chairman of the Reno-Sparks Convention & Visitors Authority and has caused a manual impression or a facsimile of the seal of the County to be affixed hereon; and has caused this Bond to be signed, executed and attested with the manual or facsimile signature of the County Clerk, all as of dated date above.

COUNTY OF WASHOE, NEVADA

(Manual or Facsimile Signature)  
Chairman  
Board of County Commissioners

Countersigned:

(Manual or Facsimile Signature)  
County Treasurer

(Manual or Facsimile of County Seal)

(Manual or Facsimile Signature)  
Chairman  
Reno-Sparks Convention & Visitors Authority

Attest:

(Manual or Facsimile Signature)  
County Clerk

\* Insert if applicable.

(End of Form of Bond)

(Form of Registration Panel for Bonds)

The within Bond is registered in the office of Zions Bancorporation, National Association, as the Trustee, in the name of the last owner listed below, and the principal amount of the Bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Resolution.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Trustee</u>

(End of Form of Registration Panel for Bonds)

(Form of Prepayment Panel for Bonds)

The following installments of principal (or portions thereof) of this Bond have been prepaid by the County in accordance with the terms of the within-mentioned Resolution authorizing the issuance of this Bond.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof)</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Trustee</u>

(End of Form of Prepayment Panel for Bonds)

(Form of Assignment for Bonds)

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

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

Signature Guaranteed:

Name and address of transferee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security or other tax  
identification number of  
transferee:

\_\_\_\_\_

Note: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. Signature(s) must be guaranteed by an eligible guarantor institution as defined in 17 CFR section 240.17Ad-15(a)(2).

(End of Form of Assignment for Bonds)

FORM OF EXHIBIT A

SCHEDULE OF PRINCIPAL INSTALLMENTS

The principal of this Bond is payable in installments on the following dates and in the following amounts:

Principal Installment <u>Payment Date</u>	<u>Principal</u> <u>Installment Amount</u>
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**ARTICLE IV**  
**USE OF BOND PROCEEDS AND ESTABLISHMENT OF**  
**REVENUE STABILIZATION ACCOUNT**

Section 401.     Disposition of Bond Proceeds.     The proceeds of the Bonds upon the receipt thereof at any time or from time to time, shall be accounted for in the following manner and priority and are hereby pledged therefor:

A.     Bond Fund.     First, there shall be credited to a separate and special account, held by the Trustee, hereby created and to be known as the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues), Series 2019A&B, Pledged Revenues Interest and Principal Retirement Fund," all moneys, if any, received as accrued interest on the Bonds from their sale by the County from the last preceding interest payment date of the Bonds, or if none, from the date of the Bonds to the date of their delivery to the Purchasers, to apply to the payment of interest on the Bonds as the same become due after their delivery, in accordance with Section 610 hereof.

B.     Escrow Account.     Second, shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues), Series 2019A&B, Escrow Account" to be held by the Escrow Bank in an amount sufficient, together with any other monies available therefor, to establish any initial cash balance remaining uninvested and to buy the Federal Securities, if any, designated in the Escrow Agreement for purchase by the Authority and credit to the Escrow Account with the Escrow Agent, to be used solely for the purpose of paying the bond requirements of the Refunded Bonds as provided in the Escrow Agreement.

C.     Costs of Issuance Account.     Third, shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds, Series 2019A&B, Costs of Issuance Account" (the "Costs of Issuance Account") to be used for the purpose of paying the costs of issuance of the Bonds.

Section 402.     Moneys for Project.     Except as otherwise provided herein, all moneys received and held by the Authority for the Project from all sources, except for the Escrow Account, including, without limitation, the Bond proceeds deposited in Costs of Issuance Account and any surplus Pledged Revenues appropriated by the Authority for that purpose shall be deposited in the Costs of Issuance Account and except as herein otherwise expressly provided, shall be used and paid out solely for the purpose of defraying the cost of the Project, including, without limitation, the costs of issuing the Bonds.

Section 403.     Prevention of Bond Default.     The Authority Treasurer shall use any Bond proceeds credited to the Costs of Issuance Account, without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys in the Bond Fund or moneys otherwise available therefor are insufficient for that



purpose, unless the Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The Authority Treasurer shall promptly notify the Chairman and the Secretary of any such use. Any moneys so used shall be restored to the Costs of Issuance Account, from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 603 through 609 hereof.

Section 404. Completion of Project. When any amounts in the Costs of Issuance Account are no longer needed to pay the cost of the Project, upon the direction of the Finance Director, the Authority Treasurer shall cause to be transferred to the Bond Fund all surplus moneys remaining in the Costs of Issuance Account is, if any, except for any moneys designated by the Finance Director to be retained to pay any unpaid accrued costs or contingent obligations and the sums so transferred shall be applied to the payment of the principal and interest due on the Bonds. Nothing herein:

A. Periodic Transfers. Prevents the Treasurer from causing to be transferred from the Costs of Issuance Account to the Bond Fund at any time before the termination of the Costs of Issuance Account any moneys which the Finance Director determines will not be necessary for the Project; nor

B. Limitations upon Transfers. Requires the transfer to the Bond Fund from the Costs of Issuance Account of any moneys in the Costs of Issuance Account derived from a source other than Bond Proceeds.

Section 405. Purchasers Not Responsible. The validity of the Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project. The Purchasers of the Bonds, any associate thereof, and any subsequent owner of any Bonds shall in no manner be responsible for the application or disposal by the County or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 406. Lien on Bond Proceeds. Until proceeds of the Bonds are applied as hereinabove provided, the Bond proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the owners of the Bonds from time to time as provided in Section 601 hereof.

Section 407. Maintenance of Escrow Account.

A. The Escrow Account shall be maintained by the County in an amount at the time of the initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities, to pay the interest due in connection with the Refunded Bonds, both accrued and not accrued, as the same become due up to an including the applicable Redemption Date for the Refunded Bonds; and to redeem, on such date the Refunded Bonds then Outstanding in accordance with the ordinance authorizing the issuance of the Refunded Bonds.

B. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of interest due in

connection with the Refunded Bonds, and in accordance with the provisions of the Escrow Agreement, shall cause the notice of call for prior redemption of the then Outstanding Refunded Bonds to be effected. Any moneys remaining in the Escrow Account after provision shall have been made for the redemption in full of the Refunded Bonds shall be applied to any lawful purpose of the County as the Board may hereafter determine.

C. If for any reason the amount in the Escrow Account shall at any time be insufficient for its purpose, the County shall forthwith from the first moneys available therefor deposit in such account such additional moneys as shall be necessary to permit the payment in full of the principal, interest and any redemption premiums due in connection with the Refunded Bonds as herein provided.

Section 408. Redemption of Refunded Bonds. The County hereby irrevocably elects to call for prior redemption the Refunded Bonds set forth in the Escrow Agreement on the Redemption Date as provided in the Escrow Agreement, at the price equal to the principal amount of each Refunded Bond, or portion thereof, so redeemed as set forth in the Escrow Agreement. The registrar of the Refunded Bonds is authorized to give notices of prior redemption and defeasance of the Refunded Bonds in accordance with the terms of the Escrow Agreement and the resolution authorizing the issuance of the Refunded Bonds.

Section 409. Revenue Stabilization Account. On or before June 30 of each Fiscal Year, the Authority will be required to deposit and maintain funds in the "Washoe County, Nevada, Reno-Sparks Convention & Visitors Authority Revenue Stabilization Account," held by the Trustee in the name of the County and the Authority, which account was heretofore created, continued in the resolution authorizing the issuance of the 2011 Bonds and is continued herein. Funds will be deposited into the Revenue Stabilization Account as required by the Cooperative Agreement which may be amended from time to time. Monies in the Revenue Stabilization Account may be used:

A. If there are insufficient moneys in the Bond Fund, to pay the principal of and interest on the Bonds with the written approval of the County Finance Director;

B. If upon recommendation of the Board of the Authority, the County Board, in its discretion, by motion or resolution, provides for a withdrawal from the Revenue Stabilization Account and the County Finance Director provides the Trustee written direction to effect the withdrawal; and

C. To pay the last installment of principal and interest on the Bonds, when due.

## **ARTICLE V GENERAL TAXES**

Section 501.     General Tax Levies. Pursuant to NRS 350.596, the Bond Requirements of the Bonds falling due at any time when there are not on hand sufficient funds in the Income Fund to pay same, shall be paid out of the general fund of the Authority, the general fund of the County or out of any other funds that may be available for such purpose. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available for the payment of such Bond Requirements on other than a temporary basis) and for the purpose of the payment thereafter of the Bonds and the interest thereon there are hereby created and continued the separate and special accounts known respectively as the General Tax Principal Fund and as the General Tax Interest Fund. Pursuant to NRS 350.592 and 350.594, there shall be levied annually in each calendar year after the issuance of the Bonds until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the County fully sufficient to reimburse such funds for such installments of Bond Requirements, together with the revenue which will result from application of the rate to the net proceeds of minerals, to pay the interest on the Bonds, and to pay and retire the same as hereinabove provided, and after there are made due allowances for probable delinquencies. The proceeds of the annual levies shall be duly credited to such separate accounts for the payment of the Bond Requirements. In the preparation of the annual budget or appropriation resolution or ordinance for the County, the Authority shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the County, including, without limitation, the Bonds, subject to the limitations imposed by NRS 361.453 and Section 2, Article. 10, Nevada Constitution, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the County.

Section 502.     Priorities for Bonds. As provided in NRS 361.463 in any year in which the total General Taxes levied against the property in the County by all overlapping units within the boundaries of the County may exceed the limitation of \$3.64 on each \$100 of assessed valuation, or a lesser or greater amount fixed by the State board of examiners if the State board of examiners is directed by law to fix a lesser or greater amount for that Fiscal Year as provided in NRS 361.453, and it shall become necessary by reason thereof to reduce the levies made by any and all such units, the reductions so made shall be in General Taxes levied by such unit or units (including, without limitation, the County and the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The General Taxes levied for the payment of such bonded indebtedness and the interest thereon shall always enjoy a priority over General Taxes levied by each such unit (including, without limitation, the County and the State) for all other purposes where reduction is necessary in order to comply with the limitation of NRS 361.453.

Section 503.     Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other General Taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept by the County Treasurer in the General Tax Principal Fund and in the General Tax Interest Fund, which shall be used for no other purpose

than the payment of principal of and interest on the Bonds, the 2011 Bonds, the 1999B CABs and any other Parity Securities hereinafter issued in accordance with this Resolution as the same fall due.

Section 504. Use of General Fund. Any sums becoming due on the Bonds at any time when there are on hand from such tax levy or levies (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the County, reimbursement to be made for such general funds in the amounts so advanced when the Taxes herein provided for have been collected, pursuant to NRS 350.596.

Section 505. Use of Other Funds. Nothing herein prevents the County or the Authority from applying any funds (other than General Taxes) that may be available for that purpose to the payment of such interest or principal, as the same, respectively, mature, including, without limitation, the payment of the Bonds as provided in Section 608 hereof and elsewhere herein, and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 350.598.

Section 506. Legislative Duties. In accordance with NRS 350.592, and NRS 361.463, it shall be the duty of the Authority annually, at the time and in the manner provided by law for levying other General Taxes of the County, if such action shall be necessary to effectuate the provisions of this Resolution, to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the Authority shall require the officers of the County to levy, extend and collect such General Taxes in the manner provided by law for the purpose of creating funds for the payment of the principal of the Bonds and interest thereon. Such General Taxes when collected shall be kept for and applied only to the payment of the principal of and the interest on the Bonds, as hereinbefore provided.

Section 507. Appropriation of General Taxes. In accordance with NRS 350.602, there is hereby specially appropriated the proceeds of the General Taxes to the payment of such principal and interest, and such appropriations shall not be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and interest on the Bonds, have been wholly paid.

## **ARTICLE VI**

### **ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES**

Section 601. Pledge Securing Bonds. The Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any account under this article or under Section 401 hereof, excluding, however, those funds held in the Escrow Account, the Revenue Stabilization Account and the Rebate Fund, are hereby pledged to secure the payment of the Bond Requirements of the Bonds on a parity with the pledge of the Pledged Revenues to secure the Bond Requirements of the Parity Securities; and this pledge shall be valid and binding from and after the date of the first delivery of any Bonds, and the moneys, as received by the County and the Authority and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the County except for the Parity Securities and any Outstanding securities hereafter authorized the liens of which on the Pledged Revenues are on a parity with the lien thereon of the Bonds; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the County (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 602. Income Fund Deposits. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the entire Pledged State Revenues, upon their receipt from time to time by the County, shall be deposited and credited immediately to the "Washoe County, Nevada, Convention Center Pledged Revenues Income Fund" (the "Income Fund"). To the extent the amount of the Pledged State Revenues are not sufficient to make the monthly deposits required by Sections 604 through 609 below, the Authority will immediately deposit Facilities Pledged Revenues, in an amount sufficient to make the monthly deposits required by Sections 604 through 609; provided, however, that Facilities Pledged Revenues shall not be deposited into the Income Fund until after all payments required to be made for payment of operation and maintenance expenses of the Facilities.

Section 603. Custody and Administration of Income Fund. The Income Fund shall be held by the Trustee. So long as any of the Bonds hereby authorized shall be Outstanding, as to any Bond Requirements, each Fiscal Year the Income Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in Sections 604 through 611 hereof.

Section 604. Bond Fund Payments. First, from any moneys in the Income Fund, i.e., from the Pledged Revenues, the following transfers shall be credited to the Bond Fund concurrently with the payments required to be made to the bond funds of the Outstanding Parity Securities:

A. Monthly, commencing on the first of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, including, without limitation, the moneys, if any, provided in Section 401 hereof and taking into account the deposits to be made

into the Bond Fund, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

B. Monthly, commencing on July 1 of the year preceding the first principal payment date, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds. The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due.

C. If the deposits due pursuant to Sections 604A and 604B above are not made in a timely fashion, the Trustee shall notify the County Finance Director of that fact within 15 days after the deposit is due.

Section 605. Custody of Bond Fund. The Bond Fund shall be in the custody of the Trustee, but in the name of the County and the Authority and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of the Bonds, and the premium, if any, on the Bonds as the same become due and payable, to withdraw sufficient funds from the Bond Fund to pay the interest on the Bonds as the same becomes due and payable.

Section 606. Termination of Deposits; Defraying Delinquencies. No payment need be made into the Bond Fund, if the amount in the Bond Fund totals a sum at least equal to the entire amount of the Bonds then Outstanding as to all Bond Requirements, to their respective maturities, and both accrued and not accrued, in which case moneys in that account in an amount at least equal to such Bond Requirements shall be used solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in those accounts and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the Authority.

If at any time the Authority shall for any reason fail to pay into the Bond Fund or the Rebate Fund the full amount above stipulated from the Pledged Revenues, then an amount shall be paid first into the Bond Fund and second into the Rebate Fund at such time equal to the difference between that paid from the Pledged Revenues and the full amount so stipulated, from the first Pledged Revenues available therefor. If securities (other than the Bonds) are outstanding, the payment of which are secured by a lien on the Pledged Revenues which lien is on a parity with the lien hereon of the Bonds, and if the proceedings authorizing issuance of those securities require the replacement of monies in a bond fund, reserve fund or rebate fund therefor, then the moneys replaced in such bond fund, reserve fund or rebate fund shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bonds and the then Outstanding Parity Securities, as monies become available therefor, first into all of such bond and reserve funds and second into all such rebate funds.

Section 607. Payment of Additional Securities. Second, and subject to the provisions hereinabove in this Article, but either concurrently with or subsequent to the payments required by Sections 604 hereof, as provided in Article VIII hereof, any moneys remaining in the Income Fund may be used by the County for the payment of Bond Requirements of additional bonds or other additional securities payable from the Pledged Revenues and hereafter authorized to be issued in accordance with Article VIII and any other provisions herein supplemental thereto, including reasonable reserves for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities shall be on a parity with or subordinate to the lien and pledge of the Bonds, as herein provided. Payments for bond, reserve and rebate funds, if any, for Parity Securities shall be made concurrently with the payments required by Sections 604 and 609 hereof, but payments for bond, rebate and reserve funds for additional Subordinate Securities shall be made after the payments required by Sections 604 and 609 hereof.

Section 608. Deposits to Revenue Stabilization Account. Third, and subject to the above provisions of this Article, there shall be transferred to the Revenue Stabilization Account and held by the Trustee, any amounts necessary to bring the amount on deposit therein to the level specified in the Cooperative Agreement. Such deposits will be made annually as provided in the Cooperative Agreement. If the deposits due pursuant to the Cooperative Agreement are not made in a timely fashion the Trustee shall notify the County Finance Director within 15 days after the deposit is due.

Section 609. Payment of Rebate. Fourth, and subject to the provisions hereinabove in this Article, there shall be transferred into the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured With Pledged Revenues), Series 2019A&B, Rebate Fund," hereby created and to be held by the Trustee, after making in full the monthly deposits required by Sections 604, 607 and 608 hereof, but prior to the transfer of any Pledged Revenues to the payment of Subordinate Securities, such amounts as are required to be deposited therein to meet the County's obligations under the covenant contained in Section 937 hereof, in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Fund shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Fund in excess of those required to be on deposit therein by Section 937 hereof and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose relating to the Convention Center. Such transfers shall be made concurrently with deposits, if any, required to be made in the rebate funds established for any additional Parity Securities.

Upon the written direction of the Authority, the Trustee shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury at the times and in the amounts set forth in the Authority's direction. If, upon receipt of the Authority's direction, the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, the Authority shall deposit with the Trustee sufficient funds for such purposes.

The Rebate Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw funds from the Rebate Fund for

the purposes set forth in Section 609 hereof, which authorization and direction the Trustee hereby accepts.

Section 610.     O & M Expenses. Fifth, and subject to the above provisions in this Article, from any moneys remaining in the Income Fund, from time to time there shall be set aside in and credited to the Operation and Maintenance Fund, to be held by the Authority, moneys sufficient to pay operation and maintenance expenses of the Convention Center as budgeted and approved in accordance with the Budget Act and the Project Act, and all laws supplemental thereto, as such expenses become due and payable, and thereupon they shall be promptly paid. Any surplus remaining at the end of the Fiscal Year and not needed for operation and maintenance expenses shall be used in the same manner as moneys in the Income Fund are used as provided in Sections 604 through 611 hereof.

Section 611.     Use of Remaining Revenues. After the foregoing payments required to be made by Sections 604 through 610 hereof are made, any remaining Pledged Revenues in the Income Fund may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to each other security fund, if any, for the payment of any other securities payable from the Pledged Revenues and rebate funds, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided in this Article, for any one or any combination of lawful purposes relating to the Convention Center, as the Authority may from time to time determine, or otherwise in accordance with the Project Act as it may be amended from time to time, including, without limitation, the payment of any Bond Requirements of any bonds or other securities relating to the Convention Center, general obligations or special obligations, and regardless of whether the respective proceedings authorizing or otherwise relating to the issuance of the securities provides for their payment from Pledged Revenues.



## **ARTICLE VII**

### **GENERAL ADMINISTRATION**

Section 701.     Administration of Accounts.     The special accounts designated in Articles IV and VI hereof shall be administered as provided in this Article.

Section 702.     Places and Times of Deposits.     Each of the special accounts hereinabove designated in Articles IV and VI hereof shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor and the moneys accounted for in such special book accounts shall be deposited with the Trustee (with respect to the Revenue Stabilization Account, the Bond Fund and the Rebate Fund) or, with respect to the Income Fund, the Cost of Issuance Account, with one bank account or more in a banking institution or banking institutions as determined and designated by the Authority (except as otherwise expressly stated herein). Nothing herein prevents the commingling of moneys accounted for in any two or more book accounts relating to the Convention Center or any other County or Authority accounts in any bank account or any investment in Federal Securities hereunder. Each bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then the payment shall be made on or before the next preceding secular day.

Section 703.     Investment of Moneys.     Any moneys in any account designated in Articles IV and VI hereof and not needed for immediate use, may be invested or reinvested in investments permitted under the laws of the State (the "Permitted Investments") by the Trustee in accordance with written instructions signed by the Finance Director or his designee, or by the Authority Treasurer or the County Treasurer having jurisdiction over such moneys, as the case may be.

Section 704.     Required and Permissive Investments.     Neither the Trustee (as directed by the Finance Director), the Authority Treasurer nor the County Treasurer shall have any obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceeds \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In that event the Trustee (as directed by the Finance Director), the Authority Treasurer or County Treasurer, as the case may be, shall invest or reinvest in Permitted Investments to the extent practicable not less than substantially all the amount which will not be needed during such 60-day period, except for any moneys on deposit in an interest-bearing account in any Banking Institution, regardless of whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to Section 707 hereof. The Trustee (if directed by the Finance Director), the Authority Treasurer or the County Treasurer, as the case may be, may invest or reinvest any moneys on hand at any time as provided in Section 703 hereof even though he is not obligated to do so.

Section 705.     Accounting for Investments. The Permitted Investments purchased as an investment or reinvestment of moneys in any such account shall be deemed at all times to be a part of the account and held in trust therefor. Except as herein otherwise provided, any interest or other gain in any account resulting from any such investments and reinvestments in Permitted Investments and from any deposits of moneys in any banking institution pursuant to this Article shall be credited to that Fund, and any loss in any account resulting from any such investments and reinvestments in Permitted Investments and from any such deposits in any banking institution shall be charged or debited to that Fund. No loss or profit in any account on any investments or reinvestments in Permitted Investments or any certificates of deposit shall be deemed to take place as a result of fluctuations in the market quotations of the investments, reinvestments or certificates before the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided, Permitted Investments and certificates of deposit shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation) and other bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the Authority until such gain is realized. The expenses of purchase, safekeeping, sale and all other expenses incident to any investment or reinvestment of moneys pursuant to this Article shall be accounted for as operation and maintenance expenses of the Convention Center and charged to the Operation and Maintenance Fund.

Section 706.     Redemption or Sale of Permitted Investments. The Trustee (as directed by the Finance Director), the Authority Treasurer or the County Treasurer, as the case may be, having jurisdiction over moneys designated herein shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any Permitted Investments and certificates of deposit so purchased as an investment or reinvestment of moneys in any account whenever it shall be necessary to do so in order to provide moneys to meet any withdrawal, payment or transfer from such account. The Trustee (as directed by the Finance Director), the Authority Treasurer, the County Treasurer and each other officer of the County or the Authority shall not be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Resolution.

Section 707.     Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States or Permitted Investments, or both. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of any Banking Institution pursuant to Section 703 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 708.     Accelerated Payments. Nothing contained in Article VI hereof prevents the accumulation in any account herein designated of any monetary requirements at a faster rate than the rate or minimum rate provided in Article VI therefor, as the case may be; but no payment shall be so accelerated if such acceleration shall cause the Authority to default in the payment of any obligation of the County or the Authority relating to the Pledged Revenues or the Convention Center. Nothing contained herein, in connection with the Pledged Revenues received in any Fiscal Year, requires the accumulation in any account for the payment in the Comparable Bond Year of Bond Requirements due in connection with any series of bonds or other securities payable from the Pledged Revenues and heretofore, herein or hereafter authorized, in excess of the Bond Requirements due in the Comparable Bond Year, and of any

reserves required to be accumulated and maintained therefor, and of any existing deficiencies, and payable from such account, as the case may be, except as may be otherwise provided elsewhere herein.

Section 709. Payment of Securities Requirements. The moneys credited to any account designated in Article VI hereof for the payment of the Bond Requirements due in connection with any series of bonds or other securities payable from the Pledged Revenues and heretofore, herein or hereafter authorized shall be used by the Trustee, without requisition, voucher, warrant or further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements payable from such account as such bonds or other securities become due, upon the respective interest payment dates and Redemption Dates, if any, on which the County or the Authority is obligated to pay the bonds or other securities, or upon the respective interest payment and maturity dates of such bonds or other securities, as provided therefor herein or otherwise, except to the extent any other moneys are available therefor, including, without limitation, moneys accounted for in the Bond Fund.

Section 710. Payment of Redemption Premiums. Notwithstanding any other provision herein, this Resolution requires the accumulation in any account designated in Article VI hereof for the payment of any series of bonds or other securities payable from the Pledged Revenues of amounts sufficient to pay not only the principal thereof and interest thereon and Appreciated Principal Amount thereof payable from such account but also the prior redemption premiums due in connection therewith, if any, as the same become due, whenever the County or the Authority shall have exercised or shall have obligated itself to exercise a prior redemption option relating thereto, except to the extent provision is otherwise made therefor, if any prior redemption premium is due in connection therewith. In that event moneys shall be deposited into such account in due season for the payment of all such Bond Requirements without default as the same become due.

## ARTICLE VIII SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 801. Lien of Bonds. The Bonds authorized herein are equitably and ratably secured by a lien on the Pledged Revenues, and the Bonds, constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with the lien on the Pledged Revenues securing the 2011 Bonds and the 1999B CABs. Bonds and other securities, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien of the Bonds. Bonds and other securities having a lien on the Pledged Revenues on a parity with the lien thereof of the Bonds may also be issued, subject to expressed conditions.

Section 802. Equality of Bonds. The Bonds, the 2011 Bonds, the 1999B CABs and any Parity Securities hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any other such securities, it being the intention of the County that there shall be no priority among the Bonds, the 2011 Bonds, the 1999B CABs and any Parity Securities hereafter authorized to be issued, regardless of the fact that they may be actually issued and delivered at different times.

Section 803. Issuance of Superior and Parity Securities. Nothing herein, subject to the limitations stated in Sections 812 and 813 hereof, prevents the issuance by the County of additional bonds or other additional securities payable from all or a portion of the Pledged Revenues and constituting a lien thereon on a parity with or superior to the lien thereon of the Bonds, nor prevents the issuance of bonds or other securities refunding all or a part of the Bonds (or funding or refunding any other then Outstanding securities payable from all or a portion of the Pledged Revenues), except as provided in Sections 808 through 813 hereof; but before any such additional Parity Securities or Superior Securities are authorized or actually issued (excluding any refunding Parity Securities or Superior Securities other than any securities refunding Subordinate Securities, as permitted in Section 811B hereof):

A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the County and the Authority shall not be in default in making any payments required by Sections 604 or 607 hereof.

B. Historic Earnings Test. Except as hereinafter otherwise provided, the Pledged Revenues derived in either the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the additional Parity Securities or Superior Securities shall have been at least sufficient to pay an amount equal to 150% of the combined maximum annual principal and interest requirements of any Outstanding Parity Securities, Outstanding Superior Securities and the bonds or other securities proposed to be issued to be paid during any one Bond Year (taking into account the Appreciated Principal Amount of the Capital Appreciation Bonds only in the Bond Year in which such amounts are due and excluding amounts payable by virtue of the Authority's exercise of a prior redemption option

but taking into account mandatory sinking fund redemptions), commencing with the Bond Year in which the additional Parity Securities or Superior Securities are issued and ending on the first day of July of the year in which any Outstanding Parity Securities, Outstanding Superior Securities and the bonds or other securities proposed to be issued are Outstanding.

C. Consideration of Additional Expenses. In determining whether additional Parity Securities or Superior Securities may be issued as aforesaid under the historic earnings test in subsection B of this Section, consideration shall be given to any probable estimated increase (but not reduction) in operation and maintenance expenses of the Facilities that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional Parity Securities or Superior Securities.

D. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether additional Parity Securities or Superior Securities may be issued as provided in subsection B of this Section, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Finance Director or an Independent Accountant making the computations under this Section, or by the County Finance Director, which loss or gain results from any change in any schedule of State License Taxes or Local License Taxes constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Parity Securities or Superior Securities, based on the number of taxpayers during such next preceding Fiscal Year as if such modified schedule of State License Taxes or Local License Taxes shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the Authority or other legislative body having or purportedly having jurisdiction in the premises before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year. Nothing herein shall be construed to permit a reduction in the State License Taxes or Local License Taxes from the rates charged at the time of delivery of the Bonds.

Section 804. Certification of Revenues. A written certification or written opinion by an Independent Accountant or by the Finance Director and the County Finance Director, based upon estimates thereby as provided in Section 803C hereof, that the annual revenues when adjusted as hereinabove provided in Section 803D hereof, are sufficient to pay such amounts as provided in Section 803B hereof, shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver additional securities as described in Section 803 hereof.

Section 805. Subordinate Securities Permitted. Nothing herein, subject to the limitations stated in Sections 812 and 813 hereof, prevents the County from issuing additional bonds or other additional securities, payable from all or a portion of the Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Section 806. Superior Securities Permitted. The County or the Authority may issue Superior Securities payable from all or a portion of the Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Bonds provided the additional Superior Securities are issued in compliance with Section 803 hereof and that any Superior Securities are issued as revenue securities and not as general obligation securities.

Section 807. Use of Proceeds. The proceeds of any additional bonds or other additional securities (other than any funding or refunding securities) payable from the Pledged Revenues shall be used only to pay the cost of a project for constructing, purchasing, otherwise acquiring, bettering, enlarging, extending, otherwise improving and equipping the Convention Center as authorized by the Project Act, or any act, general or special, supplemental thereto.

Section 808. Issuance of Refunding Securities. At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the Authority shall find it desirable to refund any Bonds or other Outstanding securities payable from and constituting a lien upon any Pledged Revenues, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the County's option upon proper call, unless the owner or owners of all such Bonds or other securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided in Sections 806 and 809 through 813 hereof).

Section 809. Partial Refundings. Any refunding bonds or other refunding securities, unless issued as Subordinate Securities, shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

Section 810. Limitations Upon Refundings. Any refunding bonds or other refunding securities payable from any Pledged Revenues shall be issued with such details as the Authority may by instrument provide, subject to the provisions of Sections 812 and 813 hereof, and subject to the inclusion of any such rights and privileges designated in Section 809 hereof, but without any impairment of any contractual obligation imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

Section 811. Protection of Securities Not Refunded. If only a part of the Outstanding Bonds and other Outstanding securities payable from all or a portion of the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

A. Requirements Not Increased. Unless the refunding securities do not increase for any Bond Year or Fiscal Year the annual principal and interest requirements (including any Appreciated Principal Amounts due in such Bond Year or Fiscal Year) of the maturities of the securities to be refunded which are evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, if any, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on all or a portion of the Pledged Revenues is not raised to a higher priority than the lien thereon of securities to be refunded, including the Bonds, any Parity Securities or any Superior Securities. The provisions of the previous sentence regarding refunding securities not increasing the annual principal and interest requirements do not apply to

maturities of refunding securities occurring after the maturities of the Outstanding securities not refunded; or

B. Subordinate Lien. Unless the lien for the payment of the refunding securities is subordinate to the lien of the Bonds for the payment of any securities not refunded; or

C. Default and Earnings Test. Unless the refunding bonds or other refunding securities are issued in compliance with Section 803 hereof (including subsections A through D of those sections) and Section 804 hereof.

Section 812. Payment Dates of Additional Securities. Any additional Parity Securities or Subordinate Securities (including, without limitation, any funding or refunding securities) issued in compliance with the terms hereof shall bear interest payable at the times and shall mature on the dates designated by the Authority in the Supplemental Resolution authorizing such securities as provided in Section 813 hereof.

Section 813. Supplemental Resolution. Additional bonds or other additional securities secured from the Pledged Revenues shall be issued only after authorization thereof by a supplemental instrument of the Authority.

## **ARTICLE IX**

### **MISCELLANEOUS PROTECTIVE COVENANTS**

Section 901.     General.     The County and the Authority hereby particularly covenant and agree with the owners of the Bonds and makes provisions which shall be a part of its contract with such owners to the effect and with the purposes set forth in the following provisions and sections of this article.

Section 902.     Performance of Duties.     The County, acting by and through the Authority, or otherwise, shall faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues and the Facilities required by the Constitution and laws of the State and the various resolutions, ordinances and other instruments of the County, including, without limitation, the proper segregation of the proceeds of the Bonds and the Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 903.     Contractual Obligations.     The County and the Authority shall perform all contractual obligations undertaken by it pursuant to this Resolution with respect to the Pledged Revenues and the Facilities under leases or other agreements and with all Persons.

Section 904.     Further Assurances.     At any and all times the County, acting by and through the Authority except when otherwise required by law, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Pledged Revenues, and other moneys and accounts hereby pledged or assigned, or which the County or the Authority may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Resolution and to comply with the Project Act, the Bond Act and all laws supplemental thereto. The County, acting by and through the Authority, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every owner of any Bonds against all claims and demands of all Persons whomsoever.

Section 905.     Conditions Precedent.     Upon the date of issuance of any Bonds, all conditions, acts and things required by the Constitution or statutes of the State, including without limitation, the Act, the Project Act and the Bond Act, or this Resolution, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the County, shall not contravene any debt or other limitation prescribed by the State Constitution or statutes.

Section 906.     Efficient Operation and Maintenance.     The County, acting by and through the Authority, shall at all times operate the Facilities properly and in a sound and economical manner; and the County shall maintain, preserve and keep the same properly or



cause the same so to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Facilities may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the County in connection with the maintenance, repair and operation of the Facilities shall be reasonable and no more than would be paid by other corporations, municipalities or public bodies for similar services.

Section 907. Rules, Regulations and Other Details. The County, acting by and through the Authority, or otherwise, shall establish and enforce reasonable rules and regulations governing the operation, care, repair, maintenance, management, control, occupancy, use and services of the Facilities and any other facilities under the jurisdiction of the Authority. The County and the Authority shall observe and perform all of the terms and conditions contained in this Resolution and the Act, the Project Act, the Bond Act and all laws supplemental thereto and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Facilities, to any such other facilities, or to the County.

Section 908. Payment of Governmental Charges. The County and the Authority shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Facilities, or upon any part thereof, or upon any portion of the Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Facilities or any part thereof, except for any period during which the same is being contested in good faith by proper legal proceedings. The County and the Authority shall not create or suffer to be created any lien or charge upon the Facilities, or any part thereof, or upon the Pledged Revenues, except the pledge and lien created by this Resolution for the payment of the Bond Requirements due in connection with the Bonds, and except as herein otherwise permitted. The County and the Authority shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Facilities, or any part thereof, or the Pledged Revenues; but nothing herein requires the County to pay or to cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 909. Protection of Security. The County, the Authority, and the respective officers, agents and employees of the County and the Authority shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of any Bond or other security payable from the Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 910. Accumulation of Interest Claims. In order to prevent any accumulation of coupons or claims for interest after maturity, the County shall not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest on any

of the Bonds or any other securities payable from the Pledged Revenues; and the County shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such coupons or other claims for interest. If the time for the payment of any such coupons or of any other such installment of interest shall be extended in contravention of the foregoing provisions, such coupon or installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Resolution, except upon the prior payment in full of the principal of the Bonds and principal and Appreciated Principal Amount, as the case may be, of any such other securities then Outstanding and of all matured interest on such securities the payment of which has not been extended.

Section 911. Prompt Payment of Bonds. The County and the Authority shall promptly pay the Bond Requirements of every Bond issued hereunder and secured hereby at the places, on the dates, and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 912. Use of Bond Fund. The Bond Fund shall be used solely, and the moneys credited to such account are hereby pledged, for the purpose of paying the Bond Requirements of the Bonds, subject to the provisions concerning surplus moneys in Sections 606 and 611 hereof.

Section 913. Additional Securities. Any other securities hereafter authorized to be issued and payable from the Pledged Revenues shall not hereafter be issued, unless the additional securities are also issued in conformance with the provisions of Articles VI and VIII hereof.

Section 914. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Facilities, or any part thereof, or on or against the Pledged Revenues derived or to be derived.

Section 915. Corporate Existence. The County and the Authority shall maintain their corporate identities and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the County or the Authority and is obligated by law to operate and maintain the Facilities and to fix and collect the Pledged Revenues as herein provided without adversely affecting to any substantial degree at any time the privileges and rights of any owner of any Bond.

Section 916. Disposal of Facilities Prohibited. Except for the use of the Facilities and services relating thereto in the normal course of business, neither all nor a substantial part of the Facilities shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all the Bonds (to the extent not paid from Pledged State Revenues) have been paid in full, as to all Bond Requirements, or unless provision has been made therefor, or until the Bonds (to the extent not paid from Pledged State Revenues) have otherwise been redeemed, including, without limitation, the termination of the pledge as herein authorized; and the County shall not dispose of its title to the Facilities or to any useful part thereof, so including any property necessary to the operation and use of the Facilities and the lands and interests in lands comprising the sites of the Facilities, except as provided in Section 917 hereof.

Section 917.     Disposal of Property Permitted. The County, acting by and through the Authority, at any time or from time to time may sell, exchange, lease or otherwise dispose of any property or any interest therein constituting a part of the Facilities which are not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the Facilities, or which shall have been replaced by other property of at least equal value, or if the Authority receives at the time of such disposal a report of an Independent Accountant or the Finance Director that the Pledged Revenues for the next preceding Fiscal Year, if adjusted to take into account the disposal of the Facilities disposed, would be sufficient to meet the Authority's obligations under Section 924 hereof for such preceding Fiscal Year. Any proceeds of any such sale, exchange, or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, and any proceeds of any such lease received shall be deposited by the Authority as Pledged Revenues in the Income Fund.

Section 918.     Loss from Condemnation. If any part of the Facilities is taken by the exercise of a power of eminent domain, the amount of any award received by the County or the Authority as a result of such taking shall be paid into a capital improvement account relating to the Facilities for the purposes thereof, or shall be applied to the redemption of the Bonds and any Outstanding securities payable from the Facilities Pledged Revenues (to the extent debt service is not paid from the Pledged State Revenues) in accordance with the provisions hereof at maturity or prior thereto if the authorizing proceedings authorize the redemption of such securities, respectively, or held as a reserve for deposit subsequently into such an account or for such subsequent redemption of such securities or for both such deposit and such redemption, as the Authority may determine.

Section 919.     Competent Management. The County acting by and through the Authority shall employ experienced and competent management personnel for the Facilities, who shall have full control over the Facilities and shall operate the Facilities for the County, subject to the reasonable control and direction of the Authority.

Section 920.     Employment of Operations Consultants. If the County or the Authority defaults in paying promptly the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues as the same fall due, or in the keeping of any covenants herein contained, and if such default continues for a period of 60 days, or if the Facilities Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of any securities (including all reserves therefor specified in the authorizing proceedings) payable from the Pledged Revenues (including the portion of the Bonds not paid from Pledged State Revenues) in the Comparable Bond Year, the County shall retain a firm of competent operations consultants skilled in the operation of such facilities to assist the management of the Facilities so long as such default continues or so long as the Facilities Pledged Revenues are less than the amount hereinabove designated in this Section.

Section 921.     Fidelity Bonds. Each official of the County, the Authority or other individual having custody of any Pledged Revenues or of any other moneys relating to the Facilities, including, without limitation, Bond proceeds, or responsible for the handling of such moneys, shall be bonded at all times in an amount which the Authority deems sufficient, which bond shall be conditioned upon the proper application of such funds (but need not necessarily be

limited thereto). The costs of each such bond or a reasonably allocated share of the costs of any blanket bond, shall be regarded and paid as operation and maintenance expenses of the Facilities.

Section 922. Budgets. The Authority and officials of the County shall annually and at such other times as may be provided by law prepare and adopt a budget relating to the Facilities.

Section 923. Reasonable and Adequate Charges. While any of the Bonds remain Outstanding and unpaid, the rentals, fees, rates and other charges for the use of or otherwise relating to services rendered by the Facilities to users thereof shall be reasonable and just, taking into account and consideration public interests and needs, the moneys derived from the Local License Taxes, the State License Taxes, the cost and value of the Facilities, the operation and maintenance expenses thereof, the proper and necessary allowances for the depreciation thereof, and the amounts necessary to meet the Bond Requirements of all Bonds and any other securities payable from the Facilities Pledged Revenues, including, without limitation, reserves and any replacement funds therefor.

Section 924. Adequacy and Applicability of Charges. There shall be charged against users of the Facilities (but not necessarily all users thereof) such rentals, fees, rates and other charges as shall be at least adequate to meet the requirements of this Section and other provisions hereof. Such charges relating to the Facilities shall be sufficient together with the proceeds of the Local License Taxes to produce Facilities Pledged Revenues to pay in each Fiscal Year:

A. O & M Expenses. An amount equal to the annual operation and maintenance expenses of the Facilities for the Fiscal Year,

B. Principal, Interest and Reserves on Bonds Payable from Facilities Pledged Revenues. An amount equal to the sum of the annual principal and interest requirements (including the Appreciated Principal Amounts then due, if any) on the Bonds and any other securities payable from the Facilities Pledged Revenues in the Comparable Bond Year and any amounts required to be accumulated from the Pledged Revenues in such Bond Year into any reserves for such securities, and

C. Principal, Interest and Reserves on Bonds. An amount equal to the sum of the annual principal and interest requirements (including the Appreciated Principal Amounts then due, if any) on the Bonds and any other securities payable from Pledged Revenues in the Comparable Bond Year, all to the extent not payable from Pledged State Revenues.

D. Deficiencies. Any amounts required to meet then existing deficiencies relating to any account relating to the Pledged Revenues or any securities payable therefrom; but the foregoing rate maintenance covenant is subject to compliance by the County with any legislation of the United States or the State or any regulation or other action taken by the Federal Government or any State agency or public body of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges due to the County for the use of or otherwise relating to, and all services rendered by, the Facilities, including, without limitation, increases in the amounts of such charges. All of such Pledged Revenues shall be

subject to distribution to the payment of operation and maintenance expenses of the Facilities and to the payment of the Bond Requirements of all securities payable from the Pledged Revenues, including reasonable reserves therefor, as herein provided.

Section 925. Collection of Charges and License Taxes. The Authority, on behalf of the County; shall cause the Pledged Revenues, including the proceeds of the Pledged State Revenues, the Local License Taxes and the rentals, fees, rates and other charges relating to the Facilities, to be collected as soon as reasonable, shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, to the end that the Pledged Revenues shall be adequate to meet the requirements of this Resolution and of any other instruments supplemental hereto. If the Authority is of the opinion that any Pledged State Revenues or Local License Taxes are not being duly collected, fully, promptly or otherwise, the Authority shall perform all proper acts duly to effect their collection.

Section 926. Prejudicial Modification of License Taxes Prohibited. The Authority, on behalf of the County, shall prevent the County Board or any City Council of any City or any Authority of any other public body in the County from permitting any trade, calling, industry, occupation, profession or business located in the County and now subject to the payment of a State License Tax or Local License Tax to avoid the payment of such tax at a later time after the issuance of any of the Bonds; and the Authority on behalf of the County shall prevent the State, the County Board or any City Council from repealing or modifying any such license taxes in any manner prejudicially and materially affecting the security or pledge for the payment of the Bonds.

Section 927. Costs of Collecting Local License Taxes. There may be excluded by the Authority from the Pledged Revenues the reasonable and actual costs of the collection of the Local License Taxes, not exceeding for any collection period an amount equal to 10% of the gross revenues collected therefrom.

Section 928. Levy of Charges. The County, acting by and through the Authority, shall continue to establish, fix and levy the rentals, fees, rates and other charges which are required by Section 924 hereof, if such action is necessary therefor. No reduction in any initial or existing schedule of charges for the Facilities may be made unless:

A. No Default. The Authority, on behalf of the County, has fully complied with the provisions of Article VI hereof for at least the full Fiscal Year immediately preceding such reduction of the schedule of charges; and

B. Sufficient Revenues. The audit required by the Independent Accountant by Section 931 hereof for the full Fiscal Year immediately preceding such reduction discloses that the estimated revenues resulting from the proposed schedule, after its proposed reduction, for the Facilities shall be sufficient in such Fiscal Year, together with the proceeds of the License Taxes to meet the obligation of Section 924 hereof.

Section 929. Records. So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the Authority, separate and apart from all other records and accounts, showing complete

and correct entries of all transactions relating to the Facilities or to the Pledged Revenues, or to both. Such records shall include (but not necessarily be limited to) monthly records showing:

A. Receipts. The revenues received from Facilities, from Pledged State Revenues and from Local License Taxes, and

B. Expenses. A detailed statement of the expenses of the Facilities.

Section 930. Maintenance and Inspection of Records. All requisitions, requests, certificates, opinions and other documents received by any individual on behalf of the County or the Authority in connection with the Facilities under the provisions of this Resolution shall be retained in the Authority's official records. Any owner of any of the Bonds or any other securities payable from the Pledged Revenues, or any duly authorized agent or agents of such owner, or the Purchasers, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the Facilities and the Pledged Revenues, to make copies of such records, accounts and data, and to inspect the Facilities and all properties comprising the Facilities.

Section 931. Audits Required. The Authority shall within 90 days following the close of each Fiscal Year, order an audit for the Fiscal Year of such books and accounts to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each account relating to the Facilities or to the Pledged Revenues, or to both. Each such audit report shall be available for inspection by the Purchasers or any owner of any of the Bonds. All expense incurred in the making of the audits and reports required by this Section shall be regarded and paid as operation and maintenance expenses.

Section 932. Insurance and Reconstruction. The County, acting by and through the Authority, shall at all times maintain fire and extended coverage insurance, workmen's compensation insurance, public liability insurance, and all such other insurance as is customarily maintained with respect to facilities of like character against loss of or damage to the Facilities, against loss of Pledged Revenues and against public and other liability to the extent reasonably necessary to protect the interests of the County, the Authority and of each owner of a Bond or any other security payable from the Pledged Revenues, except as herein otherwise provided. If at any time the County or the Authority is unable to obtain insurance to the extent provided herein, the County or the Authority shall maintain such insurance to the extent it is reasonably obtainable. If any useful part of the Facilities shall be damaged or destroyed, the County or the Authority shall, as expeditiously as possible, commence and diligently prosecute the repair or replacement of the damaged or destroyed property so as to restore the same to use. The proceeds of any such property insurance relating to the Facilities shall be payable to the Authority on behalf of the County and, except for proceeds of any use and occupancy insurance, shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied, together with the proceeds of any such use and occupancy insurance, shall be deposited in the Income Fund as Pledged Revenues. If the costs of such repair and replacement of the damaged or destroyed property exceed the proceeds of the property insurance available for payment of the same, moneys in the Income Fund shall be used to the extent necessary for such purposes, as permitted by Section 612 hereof.

Section 933.     Title to Sites. The Facilities and each part thereof shall continue to be constructed or otherwise acquired and located on land owned in fee simple by the County or over which the County has a perpetual easement, free and clear of all liens and encumbrances of whatsoever nature, except for any facilities located in a public street or highway or upon other lands of any public body politic and corporate, which lands in the opinion of counsel for the County are sufficient for its purposes. Promptly, from time to time, the County shall take such action as may be necessary or proper to remedy or cure any defect in or cloud upon such title to such lands owned in fee simple or subject to an easement (other than such excepted public lands), or any part thereof, whether now existing or hereafter developing, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose. Nothing herein prohibits locating Facilities on lands which are subject to an easement for utility purposes provided use of the easement will not interfere with use of the Facilities located on such lands.

Section 934.     Performance Bonds. In order to ensure the completion of any project to construct or otherwise acquire additional facilities to better, extend or otherwise improve the Facilities and to protect the owner or owners of any Bonds, the Authority shall require each Person with whom it may contract for labor or for materials of construction to furnish a performance bond in the full amount of any contract exceeding \$5,000 in amount. Any sum or sums derived from such performance bond or performance bonds shall be used within 6 months after such receipt for the completion of the construction and, if not so used within that period, shall be placed in and shall be subject to the provisions of the Income Fund provided for herein.

Section 935.     Tax Levies. The Authority and the County Board annually shall levy, or cause to be levied, General Taxes on all taxable property in the County fully sufficient to pay the Bond Requirements of the Bonds (and any other indebtedness or other obligations of the County), except to the extent other revenues are available therefor, including, without limitation, the Net Pledged Revenues pledged for the payment of the Bonds, as the Bond Requirements accrue, a reasonable allowance being made for delinquent tax collections anticipated at the time of each levy, at the time and in the manner provided by law for levying other Taxes; and the Authority and the County Board shall require the officers of the County to levy, extend, and collect General Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds, other indebtedness, or general obligations. General Taxes for the Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Bonds, as herein provided.

Section 936.     Completion of Project. The Authority, with the proceeds derived from the sale of the Bonds and any other available moneys, shall proceed to cause the Project to be completed without delay to the best of the Authority's ability and with due diligence, as herein provided.

Section 937.     Tax Covenant. The County and the Authority covenant for the benefit of the owners of the Tax-Exempt Bonds that it will not take any action or omit to take any action with respect to the Tax-Exempt Bonds, the proceeds thereof, any other funds of the County or the Authority or any facilities financed or refinanced with the proceeds of the Tax-Exempt Bonds if such action or omission (i) would cause the interest on the Tax-Exempt Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable

income as defined in Section 55(b)(2) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Tax-Exempt Bonds until the date on which all obligations of the Authority and the County in fulfilling the above covenant under the Tax Code have been met.

Section 938. Use of Other Authority Revenues. In the event that the Pledged Revenues are not sufficient to pay, in each Fiscal Year, an amount equal to the sum of the annual principal and interest requirements on the Bonds and any other securities payable from the Pledged Revenues in the Comparable Bond Year and any amounts required to be accumulated from the Pledged Revenues in such Bond Year into any reserves for such securities, the Authority covenants to apply any legally available Authority revenues to the payment of such principal, interest and reserve requirements prior to the levy of General Taxes by the County Board for such purposes.



## ARTICLE X CONCERNING THE TRUSTEE

Section 1001. Appointment of Trustee. Zions Bancorporation, National Association, is hereby appointed and confirmed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing the registration panels appended to the Bonds; and the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bonds so registered, but also with respect to all the bonds thereafter to be issued hereunder.

Section 1002. Property Held in Trust. All moneys and securities held by the Trustee at any time pursuant to the terms of this Resolution shall be and hereby are assigned, transferred, and set over unto such Trustee in trust for the purposes and under the terms and conditions on this Resolution.

Section 1003. Deposit and Security of Funds. Subject to the provisions of Article VI hereof, all moneys (not including securities) held by the Trustee may, subject to the provisions of this Section, be deposited by the Trustee in demand or time deposit in its banking department or with such other Banking Institutions as may be designated by the Authority. No such moneys shall be deposited with any Banking Institution, other than the Trustee, in an amount exceeding 50% of the amount which an officer of such bank shall certify to the Trustee and to the Authority as the combined capital and surplus of such bank. No such moneys shall be deposited or remain on deposit with any Banking Institution, including the Trustee, in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other Federal agency:

A. Pledge of Collateral Security. Unless such bank shall have lodged with the trust department of the Trustee or, with the written approval of the Trustee and of the Authority, pledged to some other Banking Institution for the benefit of the Authority and every holder of any Bond issued hereunder, as collateral security for the moneys deposited, Federal Securities or such securities as are provided by law for securing a deposit in a Banking Institution in the State, having a market value (exclusive of accrued interest) at least equal to 110% of the amount of such moneys; or

B. Surety Bond. Unless, in lieu of such collateral security as to all or any part of such moneys, there shall have been lodged with the trust department of the Trustee for the benefit of the Authority and every holder of any Bond issued hereunder, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or bonds of a surety company or companies qualified as surety for deposits of funds of the United States and qualified to transact business in the state in which such Banking Institution is located in a sum at least equal to the amount of such moneys or part thereof.

The Trustee shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar funds of similar size and under similar conditions or as required

by law. Interest or any other gain in respect of moneys or on securities in any account shall be credited in accordance with the provisions of Article VI.

Section 1004. Basic Duties of Trustee. The Trustee undertakes, prior to default, and after the curing of all defaults which may have occurred, to perform such duties and only such duties as are specifically set forth in this Resolution and, in case of an Event of Default (which has not been cured) to exercise such of the rights and powers vested in it by this Resolution and to use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs, except as herein otherwise expressly provided. The Trustee, upon receipt of evidence furnished to it by or on behalf of the Authority pursuant to any provision of this Resolution, shall examine the same to determine whether or not such evidence conforms to the requirements of this Resolution.

Section 1005. Trustee's Conduct. Except as herein otherwise expressly provided, no provision of this Resolution relieves the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

A. Absence of Implied Duties. Prior to default hereunder and after the curing of all defaults which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set out in this Resolution, and no implied covenants or obligations shall be read into this Resolution against the Trustee, but the duties and obligations of the Trustee, prior to default and after curing of all defaults which may have occurred, shall be determined solely by the express provisions of this Resolution;

B. Reliance Upon Instruments. Prior to default hereunder and after the curing of all defaults which may have occurred, and in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, opinions, or other instruments conforming to the requirements of this Resolution;

C. No Liability for Mere Error of Judgment. The Trustee shall not be personally liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee, unless it shall be proven that the Trustee was negligent in ascertaining the pertinent facts or in the performance of an expressed duty;

D. Action Directed by Bondholders. The Trustee shall not be personally liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds and Parity Securities then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Resolution;

E. Incurrence of Personal Liabilities. The Trustee shall not be required to advance or expend or use its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the repayment of such funds or liability is not assured to it by the security afforded it by the terms of this Resolution or by other reasonable security or indemnity;

F. Limited Liability Concerning Bonds. The Trustee shall not be under any responsibility or duty with respect to the disposition by the Authority of the proceeds of the Bonds or the application by the Authority of the proceeds thereof or of any moneys paid to the Authority under any of the provisions hereof, except to the extent that such proceeds are paid to the Trustee in its capacity as Trustee; and

G. Cost of Execution or Enforcement of Trusts. The Trustee, in the case of any default hereunder, shall not be under any obligation to take any action toward the execution or enforcement of the trusts created by this Resolution, which, in the opinion of the Trustee, will likely involve it in expense or liability, unless one or more of the holders of Bonds shall, as often as required by the Trustee, furnish to the Trustee security and indemnity satisfactory to the Trustee against such expense or liability.

Section 1006. Recitals of Fact and Representations. The recitals of fact contained herein and in the Bonds (other than the Trustee's execution of the registration panels appended to the Bonds) shall be taken as the statements of the Authority, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity of this Resolution or of the Bonds issued thereunder.

Section 1007. Further Permitted Reliance. To the extent permitted by Sections 1004 and 1005:

A. Reliance upon Documents. The Trustee may rely and shall be protected in acting upon any resolution, certificate, opinion, notice, request, consent, order, appraisal, report, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

B. Reliance upon Counsel. The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel; and

C. Reliance upon Assistants. Whenever this Resolution provides for certain action to be taken or a certain document shall be executed and forwarded to the Trustee or otherwise by a designated official and such action is taken or such document is executed and so forwarded by the assistant to such official or by an acting official so designated, the Trustee may conclusively assume that the designated official is unable to act in such capacity at such time and the assistant or acting official is then authorized to take such action or to execute and so forward such document, as the case may be; and the Trustee may rely upon such action or document.

Section 1008. Other Immunities. The Trustee shall not be under any responsibility for the approval of any expert for any of the purposes expressed in this Resolution, but nothing in this Section contained shall relieve the Trustee of its obligation to exercise reasonable care with respect to the approval of independent experts who may furnish opinions or certificates to the Trustee pursuant to any provision of this Resolution. Any instrument of the Authority or the County shall be evidenced to the Trustee by a copy thereof certified by the Secretary or County Clerk to have been duly adopted, and the Trustee may accept such copy as conclusive evidence

of the adoption of such instrument. Nothing contained in this section modifies the obligation of the Trustee to exercise after default the rights and powers vested in it by this Resolution with the degree of care and skill specified in Section 1004. No surety bond or other security shall be required of the Trustee unless ordered by a court having jurisdiction and for cause shown.

Section 1009. Permitted Transactions with Authority and County. The Trustee, and any other Banking Institution to which this Resolution pertains may buy, hold, sell or deal in, or be a pledgee of the bonds and any other securities of the Authority and the County and may engage or be interested in any financial or other transaction with the Authority and the County, all as freely as if they were not Trustee, or such other bank hereunder.

Section 1010. Commingling of Moneys. Except as herein otherwise provided, all moneys received by the Trustee, whether as Trustee or otherwise, until used or applied as herein provided, shall be held in trust for the purposes for which they were paid, but need not be segregated from other moneys except to the extent required by law, unless herein otherwise expressly provided.

Section 1011. Compensation of Trustee. The Authority covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust; and the Authority will pay to the Trustee from time to time its expenses and disbursements (including, without limitation, reasonable compensation and the expenses, charges, counsel fees, and other disbursements of its counsel, officers, employees, other agents, and of all other Persons not regularly in the Trustee's employ).

Section 1012. Preference in Event of Defaults. In order to further assure the Trustee that it will be compensated and reimbursed, all parties to this Resolution agree, and hereafter each holder of any Bond and any other security hereafter authorized and payable from Pledged Revenues by his acceptance thereof shall be deemed to have agreed that in the event of the occurrence of any one or more of the events of default set forth in Section 1203 hereof, the Trustee may file from time to time in any proceeding or proceedings one or more claims, supplemental claims, and amended claims as a creditor for its reasonable compensation for all services rendered by it (including services rendered during the course of any such proceeding or proceedings) and for reimbursement for all advances, expenses, and disbursements (including the reasonable compensation and the expenses and disbursements of its counsel and of all other Persons not regularly in its employ) made or incurred by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties herein of the Trustee; and the Trustee and its counsel and agents may file in any such proceeding or proceedings applications or petitions for compensation for such services rendered, for reimbursement for such advances, expenses, and disbursements, and for such indemnity.

Section 1013. Adjustment and Allowance of Claims. The claim or claims of the Trustee filed in any such proceeding or proceedings shall be reduced by the amount of compensation for services, reimbursement for advances, expenses, and disbursements, paid to it following final allowance to it and to its counsel and agents by the court in any such proceedings

as an expense of administration or in connection with a plan of reorganization or readjustment. To the extent that compensation and reimbursement, are denied to the Trustee or to its counsel or its other agents because of not being rendered or incurred in connection with the administration of an estate in a proceeding or in connection with a plan of reorganization or readjustment approved as required by law, because such services were not rendered in the interests of and with benefit to the estate of the Authority as a whole but in the interest of and with benefit to the holders of the Bonds and any other securities hereafter authorized and payable from Pledged Revenues in the execution of the trusts hereby created or in the exercise and performance of any of the powers and duties hereunder of the Trustee, or because of any other reason, the court may, to the extent permitted by law, allow such claim, as supplemented and amended, in any such proceeding or proceedings and for the purposes of any plan of reorganization or readjustment of the Authority's obligations, may classify the Trustee as a creditor of a class having priority over the class in which the holders of the Bonds and any such securities are placed. The amount of the claim or claims of the Trustee for services rendered and for advances, expenses, and disbursements, including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ which are not allowed and paid in any such proceeding, but for which the Trustee is entitled to the allowance of a claim as herein provided may be fixed by the court or judge in any such proceeding or proceedings to the extent that such court or judge has or exercises jurisdiction over the amount of any such claim or claims.

Section 1014. Certificates of Officers and Experts. Whenever in the administration of the trusts of this Resolution, prior to an event of default hereunder, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed), subject to the provisions of Sections 1004 and 1005, may be deemed to be prima facie proved and established by a certificate signed by a Authority officer, or may be deemed to be conclusively proved and established by a certificate signed by the President or the Finance Director and delivered to the Trustee, and any such certificate so conclusively proved shall be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Resolution upon the faith thereof. Likewise, all appraiser's certificates, engineer's certificates, independent appraiser's certificates, independent engineer's certificates, officers' certificates, and other certificates or instruments herein provided to be given to the Trustee, shall be full warrant and protection to the Trustee, subject to the provisions of Sections 1004 and 1005 hereof, for any action or non-action taken or suffered by it under the provisions of this Resolution upon the faith thereof. Whenever it is provided in this Resolution that the Trustee shall take any action upon the happening of a specified event or upon the fulfillment of any condition or upon the request of the Authority or of any holder of any Bond, the Trustee shall have full power to give any and all notices and to do any and all acts and things incident to such action.

Section 1015. Resignation of Trustee. The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than 60 days' written notice to the Authority and the County. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority, the County, or holders of Bonds as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor.

Section 1016. Removal of Trustee. The Trustee, or any successor thereof, may be removed at any time by the Authority so as long as the Authority is not in default pursuant to the terms of this Resolution or any other instrument authorizing the issuance of Parity Securities, or by the County if the Authority is in such default, and at any time by the holders of a majority in principal amount of the Bonds and any other Bonds or Parity Securities then Outstanding, excluding any such bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such holders of bonds or by their attorneys-in-fact duly authorized and delivered to the Authority. Copies of each such instrument shall be delivered by the Authority to the Trustee and to any successor thereof.

Section 1017. Successor Trustee. In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator thereof or of its property shall be appointed, or if any public officer shall take charge or control thereof or of its property or affairs, a successor may be appointed by the Authority, or in the case of removal of the Trustee by the holders, a successor may be appointed by the holders of a majority in principal amount of the then Outstanding Bonds and any other Parity Securities, excluding any such bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such holders of such Parity Securities or by their attorneys-in-fact duly authorized and delivered to the Authority. Pending such appointment by holders of such bonds, the Authority shall forthwith appoint a successor to act until such appointment is made by the holders of such bonds. Copies of each such instrument and of any instrument of the Authority providing for any such appointment shall be delivered by the Authority to the successor and to the predecessor Trustee. If no appointment of a successor shall be made within 30 days after the Trustee has been removed or resigned or after the occurrence of any other event requiring or authorizing such appointment, any holder of such Parity Securities or the trustee of such bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court thereupon after such notice, if any, as the court may deem proper and may prescribe, may appoint such successor. Any successor appointed under the provisions of this Section shall be a trust bank and willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required by this Resolution.

Section 1018. Transfer of Rights and Property. Any successor appointed under the provisions of Section 1017 of this Resolution shall execute, acknowledge, and deliver to its predecessor and also to the Authority an instrument accepting such appointment; and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties, and obligations of its predecessor hereunder, with like effect as if originally appointed herein as Trustee; but the Trustee then ceasing to act shall, nevertheless, on request by the Authority or by such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title, and interest of such Trustee in and to any property held by it hereunder and shall pay over, assign, and deliver to such successor any money or other property subject to the trusts and conditions herein set forth. If any deed, conveyance, or instrument in writing from the Authority is required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing shall on request and so far as may be authorized

by law be executed, acknowledged, and delivered to the Authority by the Trustee originally appointed herein.

Section 1019. Merger or Consolidation. Any company in which the Trustee may be merged or with which it may consolidate or any company resulting from any merger or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, if such company is a trust bank qualified to be a successor to the Trustee under the provisions of Section 1017 hereof, shall be the successor to the Trustee without any further act, deed, or conveyance.

## ARTICLE XI MISCELLANEOUS

Section 1101. Defeasance. When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this Resolution. There shall be deemed to be due payment of any Bond or other security when the County or the Authority has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond or other security, as the same become due to the final maturity of the Bond or other security, or upon any Redemption Date as of which the County or the Authority shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond or other security for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County or the Authority and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purpose of this Section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. Notwithstanding the County's or the Authority's deposit of Federal Securities to meet the requirements set forth above, for so long as the Bonds bear Taxable Interest, the County or the Authority, as applicable, is obligated to contribute additional securities to pay the Bond Requirements of the Bonds if necessary to provide sufficient amounts to satisfy the Bond Requirements of the Bonds unless the County or the Authority has obtained an opinion of nationally recognized bond counsel to the effect that such continuing County or Authority obligation to contribute additional securities is not necessary to prevent a deemed reissuance under Section 1001 of the Code.

Section 1102. Delegated Powers. The Chairman of the County Board, the Chairman of the Authority, the Clerk and Treasurer of the County, the Secretary and Treasurer of the Authority, and other officers and agents of the County and the Authority hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation:

A. Printing Bonds. The printing of the Bonds, including, without limitation and, if requested by the Purchasers, a statement of insurance pertaining to the Bonds;

B. Final Certificates. The execution of such certificates as may be reasonably required by the Purchasers, relating, inter alia, to

- (1) The signing of the Bonds,
- (2) The tenure and identity of the officials of the Authority, of the County Board and of the County,



(3) The delivery of the Bonds and the receipt of the bond purchase price for each series of the Bonds,

(4) The exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, and

(5) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof; and

C. Escrow Agreement. The completion and execution by the Finance Director of the Escrow Agreement in substantially the form on file with the Secretary of the Authority.

Section 1103. Statute of Limitations. No action or suit based upon the Bonds or other obligation of the County or the Authority shall be commenced after it is barred by any statute of limitations relating thereto. Any trust or fiduciary relationship between the County, the Authority and the owner of any Bonds or other obligee regarding any such other obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Bonds are presented for payment or demand for payment of any such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any account reserved, pledged or otherwise held for the payment of any such obligation, action or suit for the collection of which has been barred, shall revert to the Income Fund, unless the Authority shall otherwise provide by instrument of the County. Nothing herein prevents the payment of any such obligation after any action or suit for its collection has been barred if the Authority deems it in the best interests of the public to do so and orders such payment to be made.

Section 1104. Evidence of Ownership. Any request, consent or other instrument which this Resolution may require or may permit to be signed and to be executed by the owner of any Bonds or other securities may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such owner in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the securities, shall be sufficient for any purpose of this Resolution (except as otherwise herein expressly provided) if made in the following manner, but the County may, nevertheless, in its discretion require further or other proof in cases when it deems the same desirable:

A. Proof of Execution. The fact and the date of the execution by any owner of any Bonds or other securities or his attorney of such instrument may be provided by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Secretary or of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before the notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate owner of any securities may be established without further proof if the instrument is signed by an individual purporting to be the president or a vice president of the corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant

secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if the instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Ownership. The ownership of any of the Bonds or other securities held by any Persons executing any instrument as a holder of securities, and the numbers, date and other identification thereof, together with the date of his or her holding the securities, shall be proved by the registration books at the County kept by the Trustee.

Section 1105. Warranty upon Issuance of Bonds. Any Bonds authorized as herein provided, when duly executed and delivered for the purpose provided for in this Resolution shall constitute a warranty by and on behalf of the County for the benefit of each and every future holder of any of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

Section 1106. Immunities of Purchasers. The Purchasers and any associate thereof are under no obligation to any holder of the Bonds for any action that they may or may not take or in respect of anything that they may or may not do by reason of any information contained in any reports or other documents received by them under the provisions of this Resolution. The immunities and exemptions from liability of the Purchasers and any associate thereof hereunder extend to their partners, directors, successors, employees and agents.

Section 1107. Police Power. Nothing herein prohibits or otherwise limits or inhibits the exercise by the Federal Government, the State, any agency thereof or any public body thereof, including, without limitation, the County, of the police power, i.e., essential governmental powers for the public welfare. The provisions hereof are subject to any proper exercise hereafter of the police power thereby. The County cannot contract away the police power thereof nor limit or inhibit by contract the proper exercise of the police power thereby, and this Resolution does not purport to do so.

## ARTICLE XII PRIVILEGES, RIGHTS AND REMEDIES

Section 1201. Bondowner's Remedies. Each owner of any Bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the Act, the Project Act and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in Sections 207 through 211 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

Section 1202. Right to Enforce Payment. Nothing in this article affects or impairs the right of any owner of any Bond to enforce the payment of the Bond Requirements due in connection with his Bond or the obligation of the County and the Authority to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond.

Section 1203. Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal and Premium. Payment of the principal of any of the Bonds, or any prepayment premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity, or by proceedings for optional prepayment, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on the Bonds is not made when the same becomes due and payable;

C. Incapable to Perform. The County or the Authority for any reason is rendered incapable of fulfilling its obligations hereunder;

D. Nonperformance of Duties. The County or the Authority fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues or to the Facilities, or otherwise, including without limitation, this Resolution, and such failure continues for 60 days after receipt of notice from the Trustee or the owners of 10% in principal amount of the Bonds then Outstanding;

E. Failure to Reconstruct. The County, acting by and through the Authority, discontinues or unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the Facilities which is destroyed or damaged and is not promptly repaired or replaced (whether the failure promptly to repair the same is due to impracticality of the repair or replacement or is due to a lack of moneys therefor or for any other reason);

F. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the County appointing a receiver or receivers for the Facilities or for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or both the Facilities and such moneys, or if an order or decree having

been entered without the consent or acquiescence of the County is not vacated or discharged or stayed on appeal within 60 days after entry; and

G. Default of Any Provision. The County or the Authority makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Resolution on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the County and the Authority by the Trustee or the owners of 10% in principal of the Bonds then Outstanding.

Section 1204. Remedies for Default. Upon the happening and continuance of any of the events of default, as provided in Section 1203 hereof, the Trustee may, and at the request of the owner or owners or not less than 10% in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, shall proceed against the County and the Authority and their agents, officers and employees to protect and to enforce the rights of any owner of Bonds under this Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the County and the Authority to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any Parity Securities then Outstanding.

Section 1205. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of owners hereunder, the consent to any such appointment being hereby expressly granted by the County, may enter and may take possession of Facilities, subject to the rights and privileges of any lessee or other user under any lease or other contract, may operate and maintain the same, may prescribe rentals, fees, rates and other charges, and may collect, receive and apply all Pledged Revenues arising after the appointment of the receiver in the same manner as the County itself might do.

Section 1206. Rights and Privileges Cumulative. The failure of any owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the County, the Authority, or any officers, agents or employees thereof of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any owner shall not be deemed a waiver of any other right or privilege thereof.

Section 1207. Duties upon Defaults. Upon the happening of any of the events of default as provided in Section 1203 hereof, the County and the Authority, in addition, shall do and perform all proper acts on behalf of and for the owners of the Bonds to protect and to preserve the security created for the payment of their Bonds and to insure the payment of the Bond Requirements promptly as the same become due. During any period of default, so long as

any of the Bonds issued hereunder, as to any Bond Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Pledged Revenues shall be paid into the Bond Fund, or, in the event of securities heretofore and hereafter issued and Outstanding during that period of time on a parity with the Bonds, shall be paid into the bond accounts for all Parity Securities on an equitable and prorated basis, and used for the purposes therein provided. If the County or the Authority fails or refuses to proceed as in this Section provided, the Trustee may, and at the request of the owner or owners of not less than 10% in principal amount of the Bonds then Outstanding, after demand in writing, shall proceed to protect and to enforce the rights of the owners of the Bonds as hereinabove provided; and to that end any such owners of the Bonds shall be subrogated to all rights of the County and the Authority under any user agreement, lease or other contract involving the Facilities or the Pledged Revenues entered into before the effective date of this Resolution or thereafter while any of the Bonds are Outstanding.

Section 1208. Duties in Bankruptcy Proceedings. If a lessee or other user of the Facilities or any Person paying Facilities Revenues or License Taxes proceeds under any laws of the United States relating to bankruptcy, including, without limitation, any action under any law providing for corporate reorganization, it shall be the duty of the County and the Authority, and their appropriate officers are hereby authorized and directed, to take all necessary steps for the benefit of the owners of the Bonds in such proceedings, including the filing of any claims for unpaid rentals, fees, rates, other charges, License Taxes and any other payments or otherwise arising from the breach of any of the covenants, terms or conditions of any contract involving the Facilities or the Pledged Revenues.

Section 1209. Prejudicial Action Unnecessary. Nothing in this article requires the County or the Authority to proceed as provided therein if the Authority determines in good faith and without any gross abuse of its discretion that if the County or the Authority so proceeds it is more likely than not to incur a net loss rather than a net gain, or the action is otherwise likely to affect materially and prejudicially the owners of the Bonds and any Outstanding Parity Securities.

**ARTICLE XIII**  
**AMENDMENT OF INSTRUMENT**

Section 1301. Privilege of Amendments. This Resolution may be amended or supplemented by instruments adopted by the Authority in accordance with the laws of the State, without receipt by the County of any additional consideration:

A. Without the consent of or notice to the registered owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein; and

B. With the written consent of the owners of sixty-six percent (66%) in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental instrument, not including in any case any Bonds which may then be held or owned for the account of the County, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds issued hereunder if such refunding securities are not owned by the County.

Section 1302. Limitations upon Amendments. No such instrument shall permit without the written consent of all owners of the Bonds adversely and materially affected thereby:

A. Changing Payment. A change in the maturity or in the terms of prepayment of the principal of any Bond or any installment of interest thereon; or

B. Reducing Return. A reduction in the principal amount of any Bond, the rate of interest thereon, or any prepayment premium payable in connection therewith, without the consent of the owner of the Bond; or

C. Prior Lien. Except as otherwise provided in this Resolution, the creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Resolution; or

D. Modifying Any Bond. A reduction of the percentages or otherwise affecting the description of Bonds the consent of the owners of which is required for any modification or amendment; or

E. Priorities between Bonds. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Resolution; or

F. Partial Modification. The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Section 1303. Amendments Not Requiring Bondholder Consent.

A. Revenue Stabilization Account. Notwithstanding anything to the contrary in this Resolution, Section 409 hereof may be amended at any time by the Authority and the County, without notice to or the consent of any owners of the Bonds.

B. Cooperative Agreement. Notwithstanding anything to the contrary in this Resolution, the Cooperative Agreement may be amended at any time by the Authority and the County, without notice to or the consent of any owners of the Bonds.

Section 1304. Notice of Amendment. Whenever the Authority proposes to amend or modify this Resolution under the provisions of this Article (except pursuant to Section 1303), it shall cause notice of the proposed amendment to be mailed not later than 30 days prior to the date of the proposed enactment of the amendment to the owner of each of the Bonds then Outstanding. The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the Secretary for public inspection.

Section 1305. Time for Amendment. Whenever at any time within one year from the date of the mailing of such notice there shall be filed in the office of the Secretary an instrument or instruments executed by the owners of at least 66% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the Authority may adopt the amendatory instrument and the instrument shall become effective.

Section 1306. Binding Consent to Amendment. If the owners of at least 66% in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond, whether or not the owner shall have consented to or shall have revoked any consent as in this article provided, shall have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the County from taking any action pursuant to the provisions thereof.

Section 1307. Time Consent Binding. Any consent given by the owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the mailing of the notice above provided and shall be conclusive and binding upon all future owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of the mailing of the notice, by the owner who gave the consent or by a successor in title by filing notice of the revocation with the Secretary, but the revocation shall not be effective if the owners of 66% in aggregate principal amount of the Bonds then Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

Section 1308. Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and the provisions of this Resolution or of any instrument amendatory hereof or supplemental hereto and the rights and the obligations of the County and of the owners of the Bonds hereunder may be modified or amended in any respect


upon the adoption by the County and upon the filing with the Secretary of an instrument to that effect and with the consent of the owners of all the Bonds then Outstanding, the consent to be given as provided in Section 1104 hereof; and no notice to owners of Bonds by mailing shall be required as provided in Section 1304 hereof, nor shall the time of consent be limited except as may be provided in the consent.

Section 1309. Exclusion of County's Bonds. At the time of any consent or of other action taken under this Article, the County shall furnish to the Secretary a certificate of the County Treasurer, upon which the County may rely, describing all Bonds to be excluded, for the purpose of consent or of other action or of any calculation of the Bonds provided for in this Article, and the County shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, pursuant to paragraph (4) of Section 102B hereof.

Section 1310. Notation on Bonds. Bonds registered and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Authority as to the action; and if any Bond so registered and delivered shall bear such notation, then upon demand of the owner of any Bond Outstanding at such effective date and upon presentation of his or her Bond for the purpose at the principal office of the Secretary, suitable notation shall be made on the Bond by the Secretary as to any such action. If the Authority so determines, new Bonds so modified as in the opinion of the Authority to conform to such action shall be prepared, registered and delivered; and upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to the owner for Bonds then Outstanding upon surrender of the Bonds.

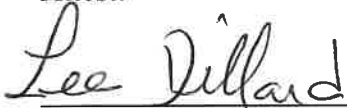
Section 1311. Proof of Resolutions and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing the instrument, and the date of his holding the same may be proved as provided by Section 1104 hereof.

ADOPTED this April 25, 2019.



Chairman, Reno - Sparks Convention & Visitors  
Authority  
Washoe County, Nevada

Attest:



Secretary  
Reno-Sparks Convention & Visitors Authority  
Washoe County, Nevada



STATE OF NEVADA            )  
  ) ss.  
COUNTY OF WASHOE        )

I am the duly chosen, qualified and acting Secretary of the Reno-Sparks Convention and Visitors Authority (herein "Authority"), Nevada do hereby certify:

1. The foregoing pages, inclusive, constitute a true, correct and compared copy of a resolution of the Authority adopted at a regular meeting of the Authority held on April 25, 2019, and the original of such resolution has been approved and authenticated by the signature of the Chairman of the Authority and myself as Secretary, and has been recorded in the minutes of the Authority kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the Authority were present at such meeting and voted on the passage of such resolution as follows:

Those Voting Aye:

Nat Carasali  
Lee Dillard  
Ed Lawson  
Bob Lucy  
Rick Murdock  
Ann Silver  
Mark Stierbens  
Bill Wood

Those Voting Nay:

— NA —

Those Abstaining:

— NA —

Those Absent:

Hillary Schieve

3. All members of the Authority were given due and proper notice of such meeting.

4. Public notice of such meeting attached as Exhibit A hereto was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpt from the agenda for the meeting relating to the resolutions, as posted at least 3 working days in advance of the meeting on the Authority's website, on the State of Nevada's official website, at the Authority's office and three other locations, i.e., at:

- (i) Reno-Sparks Convention Center  
4590 South Virginia Street  
Reno, Nevada
- (ii) Reno City Hall  
One East First Street  
Reno, Nevada
- (iii) Washoe County Courthouse  
Virginia & Court Streets  
Reno, Nevada
- (iv) Washoe County  
Administration Building  
1001 East Ninth Street  
Reno, Nevada

5. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notice of meetings of the Board in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

**IN WITNESS WHEREOF**, I have hereunto set my hand on behalf of the Authority this April 25, 2019.

  
Secretary

EXHIBIT A

(Attach Copy of Notice of Meeting)

**RENO-SPARKS CONVENTION AND VISITORS AUTHORITY  
NOTICE OF PUBLIC MEETING  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Thursday, April 25, 2019 at 9:00 A.M.  
Reno-Sparks Convention and Visitors Authority  
4001 S. Virginia Street, Board Room  
Reno, Nevada**

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**BOARD OF DIRECTORS:  
Commissioner Bob Lucey, Chairman**

Mr. Nat Carasali  
Mr. Lee Dillard  
Councilman Ed Lawson  
Mr. Rick Murdock

Mayor Hillary Schieve  
Ms. Ann Silver  
Mr. Mark Sterbens  
Mr. Bill Wood

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THIS MEETING IS IN COMPLIANCE WITH THE NEVADA OPEN MEETING LAW AND HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Reno-Sparks Convention & Visitors Authority (RSCVA)  
Reno City Hall  
Sparks City Hall  
National Bowling Stadium  
RSCVA Website: [www.rscva.com/public-meetings](http://www.rscva.com/public-meetings)

Reno-Sparks Convention Center  
Washoe County Administration Bldg.  
Washoe County Courthouse  
Online at <http://notice.nv.gov/>

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Items on the agenda are for possible action by the Board of Directors unless stated otherwise. Items will not necessarily be considered in the order listed. The Board may combine two or more agenda items for consideration, may remove an item from the agenda or may delay discussion relating to an item on the agenda at any time. Support materials are made available when they are provided to the Board, or if provided during the meeting, support materials will be made available at the meeting at the same time as they are made available to the Board. Support materials are also available at the RSCVA administrative offices and at the scheduled meeting. The designated contact to obtain support materials is Corie Carlsen, 4001 South Virginia Street, Suite G, Reno, NV (775) 827-7618.

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## **AGENDA**

### **A. OPENING CEREMONIES**

Call to Order  
Pledge of Allegiance  
Roll Call

### **B. COMMENTS FROM THE FLOOR BY THE PUBLIC**

Public comment is limited to three minutes. The public is encouraged to comment on all agenda items as well as issues not on the agenda during the Public Comment period, or on "action" items immediately before board discussion of such "action" items. Members of the public desiring to speak must complete a "Request to Speak" form and return it to the RSCVA clerk at the meeting. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Public comments may not be accepted after the Chairman closes any period for public comment.

**C. APPROVAL OF THE AGENDA**

For possible action.

**D. APPROVAL OF MINUTES OF MARCH 28, 2019 BOARD OF DIRECTORS' REGULAR MEETING**

For possible action.

**E. PRESENTATIONS**

**E1. Legislative Update**

A representative of the law firm of Fennemore Craig will provide an update on the Legislative Session and issues of interest to the RSCVA. The Board may discuss and provide direction to staff regarding legislative issues as may be deemed by the Chair or Board of Directors to be of critical significance to the RSCVA.

For possible action.

**E2. RSCVA Staff Update**

Phil DeLone, President/CEO, and RSCVA staff will deliver updates on Executive Office, Marketing, Sales, and Finance, including the Corporate Scorecard.

This is an information item. Not an action item.

**E3. SMG Update**

Michael Day, General Manager of SMG Reno, will report to the Board on SMG's activities.

This is an information item. Not an action item.

**E4. Reno-Tahoe Airport Authority Update**

Marilyn Mora, A.A.E., President/CEO will deliver Reno Tahoe Airport Authority will give an update on the state of the airport.

This is an information item. Not an action item.

**F. FINANCE DIVISION**

**F1. Board review and authorization to join General Services Administration (GSA) contract pursuant to NRS 332.195 to purchase banquet chairs and equipment from Government Sales, LLC in an amount not to exceed \$160,000.**

The Board of Directors is being asked to review, discuss and possibly approve authorization to join the General Services Administration (GSA) contract pursuant to NRS 332.195 to purchase equipment from Government Sales, LLC in an amount not to exceed \$160,000.

For possible action.

**F2. Review, discussion and possible action to approve a resolution pertaining to the issuance of the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds**

The Board of Directors is being asked to review, discuss and possibly approve a resolution authorizing the issuance of the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A" and the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019B" in the combined aggregate principal amount not to exceed \$70,000,000 for the purpose of refunding certain outstanding bonds; providing the form, terms and conditions

of the bonds and the security therefor; and providing the effective date.

For possible action.

**F3. Approval to purchase from Automated Temperature Controls, Inc. a system upgrade to the lighting control system at the Reno-Sparks Convention Center in the amount not to exceed \$499,584**

The Board of Directors is being asked to review, discuss and possibly approve an upgrade and replacement of the existing lighting control system and management software at the Reno-Sparks Convention Center. The upgraded equipment would be purchased from Automated Temperature Controls, Inc., at a cost not to exceed \$499,584.

For possible action.

**G. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS**

This is an information item. Not an action item.

**H. COMMENTS FROM THE FLOOR BY THE PUBLIC**

Public comment is limited to three minutes. The public is encouraged to comment on all agenda items as well as issues not on the agenda during the Public Comment period, or on "action" items immediately before board discussion of such "action" items. Members of the public desiring to speak must complete a "Request to Speak" form and return it to the RSCVA clerk at the meeting. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Public comments may not be accepted after the Chairman closes any period for public comment.

**I. ADJOURNMENT**

For possible action.

Persons are invited to submit written remarks for all matters, both on and off the agenda. Written remarks presented for inclusion in the Board of Directors' minutes must be flat, unfolded, on paper of standard quality, and 8 1/2 by 11 inches in size. Written remarks shall not exceed five (5) pages in length. The RSCVA will not accept for filing any submission that does not comply with this rule. On a case-by-case basis, the Board of Directors may permit the filing of noncomplying written remarks, documents, and related exhibits under NRS 241.035(1)(e). Board of Directors' meeting rooms are accessible to persons with disabilities. If special arrangements are required, please contact Corie Carlsen at 775-827-7618.

For information or questions regarding this agenda, please contact:  
The RSCVA Executive Office  
P.O. Box 837, Reno, NV 89504  
775-827-7618