

WASHOE COUNTY, NEVADA
QUARTERLY TENDER BONDS
(MEDICAL CENTER PROJECT)

Series 1984A

\$12,000,000

5-1-84 Bond Ordinance

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Summary - An ordinance authorizing the issuance of the Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A, in the aggregate principal amount of \$12,000,000, providing details concerning the bonds, and otherwise concerning their sale and issuance.

BILL NO. 777

ORDINANCE NO. 604

(of Washoe County, Nevada)

AN ORDINANCE DESIGNATED BY THE SHORT TITLE "5-1-84 BOND ORDINANCE" CONCERNING THE ACQUISITION AND FINANCING OF COUNTY HOSPITAL FACILITIES FOR WASHOE COUNTY, NEVADA; AUTHORIZING THE ISSUANCE BY THE COUNTY OF ITS NEGOTIABLE, "WASHOE COUNTY, NEVADA QUARTERLY TENDER BONDS (MEDICAL CENTER PROJECT) SERIES 1984A" FOR THE PURPOSE OF ACQUIRING AND FINANCING SUCH COUNTY HOSPITAL FACILITIES; AUTHORIZING AND DIRECTING THAT THE COUNTY SHALL EFFECT SUCH PROJECT; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER AND TERMS OF THEIR ISSUANCE, THE MANNER OF THEIR EXECUTION, THE METHOD OF PAYING THEM AND THE SECURITY THEREFOR, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE EXECUTION AND DELIVERY OF A REMARKETING AGREEMENT, A REPAYMENT AGREEMENT, A PURCHASE CONTRACT AND AN OFFERING MEMORANDUM; SECURING PAYMENT OF THE PURCHASE PRICE OF SUCH BONDS BY A REPAYMENT AGREEMENT AND A LETTER OF CREDIT; SECURING THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS BY A PLEDGE OF REVENUES DERIVED FROM THE OPERATION OF THE COUNTY'S HOSPITAL FACILITIES, AND TO THE EXTENT SUCH PLEDGED REVENUES ARE INSUFFICIENT, PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT THEREOF; PROVIDING CONDITIONS RELATING TO THE ISSUANCE OF ADDITIONAL SECURITIES IN THE FUTURE PAYABLE FROM SUCH PLEDGED REVENUES; PROVIDING OTHER COVENANTS, AGREEMENTS AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING THE BONDS, SUCH FACILITIES, AND SUCH REVENUES AND TAXES; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO; BY DECLARING THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE AND PAYMENT OF THE BONDS, ADOPTING IT AS IF AN EMERGENCY NOW EXISTS; 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 County now owns, operates and maintains a municipal county hospital commonly known as the "Washoe Medical Center," for the use and benefit of the public; and

(3) WHEREAS, the Board of County Hospital Trustees of the County (the "Hospital Board") was duly created and organized pursuant to an act now cited as §§ 450.010 through 450.510, Nevada Revised Statutes ("NRS"), and all laws amendatory thereof (the "County Hospital Act"), and pursuant to a resolution passed by the Board of County Commissioners (the "Governing Body") of the County; and

(4) WHEREAS, pursuant to the County Hospital Act and pursuant to an act now cited as NRS 244A.011 through 244A.065 (together with the County Hospital Act, the "Project Act"), as supplemented by the Local Government Securities Law and all laws amendatory thereof (herein the "Bond Act"), cited as NRS 350.500 through 350.720, and all laws supplemental thereto, the County has the power to issue its general obligation bonds, additionally secured as herein provided, for any hospital project, without the securities being authorized at any election; and

(5) WHEREAS, the County received a resolution duly adopted by the Hospital Board on February 13, 1984 requesting the County to issue general obligation bonds for the purposes described below; and

(6) WHEREAS, the Governing Body determined, by resolution duly adopted on February 14, 1984, (the "Bond Proposal Resolution") and does hereby redeclare that it is necessary and in the best interests of the County and its citizens that its general obligation bonds be issued in the amount of \$12,000,000 to defray the costs of financing the enlargement, maintenance, repair, improvement and reconstruction of the Washoe Medical Center, including without limitation the construction, installation and other acquisition of additional fixtures, structures and buildings, equipment and furnishings and additional sites therefor, and also including the refinancing of short-term obligations issued for such purposes (the "Project"); and

(7) WHEREAS, pursuant to NRS 350.001 to 350.006 and to the Bond Proposal Resolution, the County Clerk, as ex officio Secretary of the General Obligation Bond Commission of the County (the "Commission") was duly notified of the County's proposal to issue its general obligation medical center bonds at one time, or from time to time, in one series or more, in the aggregate principal amount of not exceeding \$12,000,000 (herein the "Series 1984A Bonds") for the purpose of financing the Project, such Series 1984A Bonds to mature serially commencing not later than five (5) years from the date or respective dates of the Series 1984A Bonds and ending not later than thirty (30) years therefrom, payable from general (ad valorem) taxes (except to the extent pledged revenues of the Washoe Medical Center are available therefor), and to be issued and sold at, above, or

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below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such other detail as the Governing Body may determine, including at its option but not necessarily limited to provisions for the redemption of Series 1984A Bonds prior to maturity without or with the payment of a premium and for securing additionally the payment of Series 1984A Bonds by pledging all or any part of the revenues of the Washoe Medical Center (herein the "Proposal"); and

(8) WHEREAS, the County Clerk of the County, ex officio the Secretary of the Commission, with the approval of the Chairman thereof, duly gave notice of a meeting to be held on February 29, 1984, on the Proposal and provided a copy thereof to each member of the Commission with a copy of the notice of the meeting; and

(9) WHEREAS, at that meeting the Commission heard all individuals desiring to comment on the Proposal and reviewed all other evidence relevant to its approving or disapproving the Proposal; the proposed issuance of the Series 1984A Bonds as stated in the Proposal received the favorable vote of a majority of the members of the Commission; and notification of the approval of the Proposal by the Commission was sent to the County within 3 days after the meeting; and

(10) WHEREAS, subsection 2 of NRS 350.020 reads:

"2. If payment of a general obligation of the municipality is additionally secured by a pledge of gross or net revenues of a project to be financed by its issue, and the governing body determines that the pledged revenues will at least equal the amount required in each year for the payment of interest and principal, without regard to any option reserved by the municipality for early redemption, the municipality may incur this general obligation without an election unless, within 30 days after publication of a resolution of intent to issue the bonds, a petition is presented to the governing body signed by not fewer than 5 percent of the registered voters of the municipality who together with any corporate petitioners own not less than 2 percent in assessed value of the taxable property of the municipality. The determination by the governing body becomes conclusive on the last day for filing the petition. For the purpose of this subsection, the number of registered voters must be determined as of the close of registration for the last preceding general election and assessed values

must be determined from the next preceding final assessment roll. An authorized corporate officer may sign such a petition whether or not he is a registered voter. The resolution of intent need not be published in full, but the publication must include the amount of the obligation and the purpose for which it is to be incurred. Publication must be made once in a newspaper of general circulation in the municipality;"

and

(11) WHEREAS, the Governing Body determined in Section 2 of the Bond Proposal Resolution and does hereby redeclare that, based upon studies and reports pertaining thereto, the net pledged revenues (as herein more specifically designated) will at least equal the amount required in each year for the payment of the interest on and principal of the Series 1984A Bonds proposed to be issued without regard to any option reserved by the County for early redemption; and

(12) WHEREAS, pursuant to a resolution duly adopted by the Governing Body on March 13, 1984, the Governing Body authorized and directed the publication of a notice of its resolution of intent relating to the Proposal one time in the Reno Gazette-Journal, a newspaper published and having general circulation in the County, which notice was published therein on March 19, 1984; and

(13) WHEREAS, no petition was presented to the Governing Body within the 30 day period following publication of such notice of the County's resolution of intent relating to the Proposal as permitted by subsection 2 of NRS 350.020; and

(14) WHEREAS, the County has caused to be received a proposal for the purchase at private sale of the Series 1984A Bonds; and

(15) WHEREAS, the County has determined and hereby determines to accept the proposal submitted by Goldman, Sachs & Co., Prudential-Bache Securities, Inc., Burrows Smith and Company Division and Mellon Bank, N.A. (together, the "Purchaser"), and their associates, which proposal offers to purchase the Series 1984A Bonds bearing interest and upon the other terms provided herein and in the Purchase Contract dated May 8, 1984 (the "Purchase Contract") between the County and the Purchaser for a purchase price consisting of their principal amount less a discount of \$192,000; and

(16) WHEREAS, there have been presented to the Governing Body, concurrently with the adoption of this ordinance (1) the proposed form of the Repayment Agreement dated as of May 1, 1984 between Mellon Bank, N. A. and the County, (2) the proposed form of the Remarketing Agreement dated as of May 1, 1984 between the County and Goldman, Sachs & Co., (3) the proposed form of the Purchase Contract,

(4) the proposed form of Agency Agreement dated as of May 1, 1984 among the County, Chemical Bank and Valley Bank of Nevada and (5) the Preliminary Offering Memorandum dated April 30, 1984 previously distributed by the Purchaser to prospective purchasers of the Series 1984A Bonds; and

(17) WHEREAS, the County elects pursuant to NRS 348.320 to have the provisions of NRS Chapter 348, pertaining to the registration of public securities, apply to the Series 1984A Bonds; and

(18) WHEREAS, the Governing Body has determined and does hereby declare:

A. This Ordinance pertains to the sale, issuance, and payment of the Series 1984A Bonds;

B. Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of subsection 2, § 350.579, Bond Act; and

C. This Ordinance may accordingly be adopted as if an emergency now exists by an affirmative vote of not less than two-thirds of all the voting members of the Governing Body (excluding from any such computation any vacancy on the Governing Body and any member thereof who may vote only to break a tie vote), and this Ordinance may become effective at any time when an emergency ordinance of the County may go into effect.

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

ARTICLE I

SHORT TITLE, DEFINITIONS, INTERPRETATION,
RATIFICATION, PUBLICATION, AND EFFECTIVE DATE

Section 101. Short Title. This Ordinance shall be known as and may be designated by the short title "5-1-84 Bond Ordinance" (this "Ordinance").

Section 102. Meanings and Construction.

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

(1) "Acquisition Fund" means the special account designated as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A Acquisition Fund," created in Section 501 hereof.

(2) "Adjusted Gross Revenues" means the patient fees (whether paid by the patient or by any other party) and other charges payable by or on behalf of the patients of the Facilities and all revenues, rents and income derived by the County from the ordinary operation of the Facilities, less contractual allowances and allowance for doubtful accounts determined in accordance with generally accepted accounting principles, and also excluding (i) any profits or losses on the sale or disposition, not in the ordinary course of operations, of investments in fixed or capital assets, or resulting from the extinguishment of debt and (ii) gifts, donations, pledges, grants, legacies, bequests, demises and contributions heretofore or hereafter made and the income derived therefrom to the extent specifically restricted by the donor or grantor to a particular purpose inconsistent with their use for payment of Bond Requirements or Operation and Maintenance Expenses.

(3) "Adjusted Par Value Rate" shall have the meaning assigned to such term in Section 303 hereof.

(4) "Agency Agreement" means that certain Agency Agreement dated as of May 1, 1984 among the County, the Trustee and the Registrar/Paying Agent.

(5) "Annual Principal and Interest Requirements" means the sum of the principal of and interest on the

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Outstanding Series 1984A Bonds and any Outstanding Parity Bonds to be paid during any Fiscal Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided. In calculating this amount, (a) the principal amount of bonds required to be redeemed prior to maturity pursuant to a mandatory redemption schedule (e.g. the schedule set forth in Section 402 hereof, but with respect to such schedule, without regard to any increase in any sinking fund payments required by Section 705 and the second proviso clause of the first sentence of Section 402(B) hereof) shall be treated as maturing in the Fiscal Year in which such bonds are so required to be redeemed, rather than in the Fiscal Year in which the stated maturity of such bonds occurs and (b) if bonds bear interest at a variable interest rate, the interest payable thereon in the future shall be calculated on the assumption that such debt bears interest at that rate obtained by taking the sum of the average rate at which such debt bore interest during the six months preceding such calculation and the maximum annual interest rate established by the applicable variable rate formula and dividing such sum by two.

(6) "Authorized County Representative" means any officer, employee or other person authorized to perform any act, discharge any duty or execute any certificate or other document for or on behalf of the County; provided that with respect to the filing of requisitions pursuant to Section 504 hereof such term shall mean the Associate Administrator or the Assistant Administrator - Finance of the Washoe Medical Center.

(7) "Bank" means (i) Mellon Bank or (ii) any other bank or financial institution which issues a substitute Letter of Credit.

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

(9) "Bond Fund" means the special account designated as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A, Interest and Principal Retirement Fund," created in Section 501 hereof.

(10) "Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Series 1984A Bonds (but does not include the purchase price of Series 1984A Bonds subject to optional or mandatory tender for purchase pursuant to Article IV hereof) and any additional bonds or other additional securities payable from the Net Pledged Revenues and hereafter issued, 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.

(11) "Bondholder" or "holder" or "owner" of Series 1984A Bonds means the registered owner of any Series 1984A Bond.

(12) "Business Day" means any day other than a Saturday, Sunday, or public holiday under the laws of the Commonwealth of Pennsylvania or other day on which banking institutions are authorized or obligated to close in Pittsburgh, Pennsylvania or in the city in which the principal office of the Trustee is located or on which The New York Stock Exchange is closed.

(13) "Commercial Bank" 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 of America.

(14) "Conversion Date" means the date on which the Bank purchases all of the Outstanding Series 1984A Bonds pursuant to Sections 403, 404, 406 or 407 hereof.

(15) "Cost of the Project" means all or any part designated by the Governing Body of the cost of the Project which cost, at the option of the Governing Body, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

(a) Preliminary expenses advanced by the County from funds available for use therefor or from any other source, or advanced with the approval of the County from funds available therefor or from any other source by the State, the Federal Government, or by any other Person with the approval of the County (or any combination thereof);

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

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

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

(e) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Series 1984A Bonds and any other securities relating to the Project, and bank fees and expenses;

(f) The costs of contingencies;

(g) The costs of the capitalization with the proceeds of the Series 1984A Bonds of any interest on the Series 1984A Bonds or other securities for any period not exceeding the period estimated by the Governing Body to effect the Project plus one year, of any discount on the Series 1984A Bonds or other securities, and of any reserves for the payment of the principal of and interest on the Series 1984A Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the Series 1984A Bonds or other securities relating to the Project;

(h) The costs of amending any ordinance, resolution or other instrument authorizing the issuance of or otherwise relating to the outstanding Series 1984A Bonds or other securities relating to the Facilities;

(i) The costs of funding any short-term financing, construction loans and other temporary loans of not exceeding 5 years relating to the Project and of the incidental expenses incurred in connection with such loans;

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

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

(l) All other expenses necessary or desirable and relating to the Project, as estimated or otherwise ascertained by the Governing Body.

(16) "County" means the County of Washoe in the State, and constituting a political subdivision thereof, or any successor municipal corporation.

(17) "County Account" means each account created and maintained by the County hereunder, excluding the Trustee Accounts.

(18) "Election Notice" shall have the meaning set forth in Section 303 hereof.

(19) "Electronic Notice" means notice given by an electronic communication device, including, without limitation, by telephone, telex, telecopier or telegram. If the transmission of such notice provides a written or otherwise reproduced copy of such notice (e.g., notice by telex, telecopier or telegram), written confirmation thereof shall be deemed to have occurred.

(20) "Eligible Funds" means (i) proceeds of the Series 1984A Bonds and the income from the investment therefrom, (ii) proceeds of bonds, notes or other obligations of the County, and the investment income therefrom, issued for the purpose of refunding, in whole or in part, the Series 1984A Bonds (iii) moneys which have been provided by the County (including, without limitation, moneys paid pursuant to Section 702 hereof) deposited with the Trustee at least 124 days in advance of the relevant principal or interest payment date so long as during such 124-day period no petition in bankruptcy has been filed by or against, or is otherwise pending with respect to, the County and (iv) amounts paid to the Trustee or the Registrar/Paying Agent pursuant to the Letter of Credit; provided that the Trustee shall appropriately identify any moneys deposited in the Bond Fund or the Reserve Fund pursuant to clauses (i) and (ii) above so that it is able to determine whether other moneys on deposit in such Funds qualify under clause (iii) above and provided further that nothing in this definition shall be construed as requiring funds deposited in the Bond Fund or the Reserve Fund pursuant to clauses (i) or (ii) to be deposited for any particular time period in order to qualify as "Eligible Funds" hereunder.

(21) "Events of Default" means the events stated in Section 1203 hereof.

(22) "Facilities" means:

(a) The presently existing real and personal property of the County used for hospital purposes, that is, the hospital known as the "Washoe Medical Center" located at 77 Pringle Way, Reno, Nevada;

(b) All other real and personal property hereafter acquired by the County as improvements,

enlargements, betterments, additions, restorations or replacements to the Washoe Medical Center at or adjacent to its then existing location, including the Project; and

(c) All properties, if any, not to be located at or adjacent to the Washoe Medical Center at its then existing location, which the Governing Body may hereafter in its sole discretion and by Ordinance (1) determine to be property suitable for public hospital purposes and capable of directly or indirectly producing income in sufficient amounts as not to affect adversely the County's ability to pay its Outstanding Series 1984A Bonds and (2) add to the then existing Facilities.

(23) "Federal Securities" means bills, certificates or 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 of America.

(24) "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 County and the Facilities, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

(25) "General Tax Interest Fund" means the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A General Tax Interest Fund," created in Section 601 hereof.

(26) "General Tax Principal Fund" means the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A General Tax Principal Fund," created in Section 601 hereof.

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

(28) "Governing Body" means the Board of County Commissioners of the County, including any successor governing body of the County.

(29) "Health Care Consultant" means an independent consulting or management firm selected by the County and accepted by the Trustee as having a national reputation in the field of hospital consulting or management.

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(30) "Hospital Board" means the Board of County Hospital Trustees of the County or such Board's successor in functions, if any.

(31) "Index Rate" shall have the meaning assigned to such term in Section 303 hereof.

(32) "Independent Accountant" means any independent certified public accountant, or any firm of independent 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 Hospital Board on the behalf and in the name of the County.

(33) "IRC" or "Tax Code" means the Internal Revenue Code of 1954, as amended.

(34) "Letter of Credit" means the irrevocable Letter of Credit dated the date of the initial issuance of the Series 1984A Bonds, from Mellon Bank in favor of the Trustee (but which may be drawn upon by the Registrar/Paying Agent) issued at the request of and for the account of the County, as the same may from time to time be transferred, assigned, reissued or extended in accordance with its terms, or any substitute therefor issued in accordance with Section 909 of this Ordinance.

(35) "Maximum Annual Principal and Interest Requirements" means the maximum Annual Principal and Interest Requirements to be paid during any Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Series 1984A Bond last becomes due at maturity or on a redemption date on which any Series 1984A Bond thereafter maturing is called for prior redemption.

(36) "Maximum Rate" means, at any time, the lesser of (a) 12.99% per annum or (b) that rate of interest per annum on the Series 1984A Bonds which results in an "effective interest rate" on the Series 1984A Bonds, as defined in NRS 99.060, equal to 12.99% per annum.

(37) "Maximum Reserve" means \$1,440,000.

(38) "Mellon Bank" means Mellon Bank, N.A., a national banking association.

(39) "Minimum Reserve" means at any time prior to the Conversion Date, Eligible Funds in an amount sufficient to pay interest on the Outstanding Series 1984A Bonds which shall become due on the next succeeding quarterly interest payment

date plus interest on the Outstanding Series 1984A Bonds for a period of 35 days (computed as if the rate of interest on the Series 1984A Bonds for such 35 day period were 12.99% per annum).

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

(41) "NRS" means Nevada Revised Statutes.

(42) "Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining and repairing the Facilities, including, 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 County'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 paying agent, trustee or depository bank relating to the Series 1984A Bonds and any other securities payable from the Net Pledged Revenues or otherwise relating to the Facilities;

(f) Contractual services, professional services, salaries, wages, other administrative expenses, and costs of materials, supplies, repairs and labor, relating to the Facilities or to the issuance of the Series 1984A 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 in the collection and any refunds of all or any part of the Adjusted Gross Revenues;

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

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

(j) 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 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.

(43) "Opinion of Counsel" means an opinion in writing of legal counsel who may be counsel to the County or the Trustee.

(44) "Outstanding" means all the Series 1984A Bonds or any other securities payable from Net Pledged Revenues:

(a) Except any Series 1984A Bond or other security cancelled by the County, by the Trustee or otherwise on the County's behalf, because of payment at or redemption prior to maturity;

(b) Except any Series 1984A Bond or other security deemed to have been paid within the meaning of Article X hereof; and

(c) Except any Series 1984A Bond or other security in lieu of or in substitution for which another Series 1984A Bond or other security shall have been executed and delivered pursuant to Sections 305, 306 or 411 hereof.

Any securities payable from Net 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.

(45) "Parity Bonds" means bonds or securities which have a lien on the Net Pledged Revenues that is on a parity with the lien thereon of the Series 1984A Bonds.

(46) "Par Value Rate" shall have the meaning assigned to such term in Section 303 hereof.

(47) "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.

(48) "Project" means the enlargement, maintenance, repair, improvement and reconstruction of the County's hospital facilities, including without limitation the construction, installation and other acquisition of additional fixtures, structures and buildings for the County's hospital facilities, equipment and furnishings therefor, and additional sites therefor (which includes the refinancing of short-term obligations issued for such purposes).

(49) "Project Act" means NRS 450.010 through 450.510 and NRS 244A.011 through 244A.065, and all laws amendatory thereof.

(50) "Purchase Contract" means the contract for the purchase of the Series 1984A Bonds between the County and the Purchaser, dated May 8, 1984.

(51) "Purchaser" means, collectively, Goldman, Sachs & Co., Prudential-Bache Securities, Inc., Burrows Smith and Company Division and Mellon Bank.

(52) "Rate Period" means any of the periods beginning on an January 1, April 1, July 1 or October 1 (or the next succeeding Business Day if such date is not a Business Day) and ending on the day preceding the next succeeding January 1, April 1, July 1 or October 1 (or the next succeeding Business Day if such date is not a Business Day), as the case may be.

(53) "Registrar/Paying Agent" means Chemical Bank, New York, New York, and any successor thereto, appointed pursuant to the Agency Agreement to perform the duties and responsibilities of the Registrar/Paying Agent set forth therein and herein.

(54) "Regular Record Date" means 2:00 p.m. New York City time on the day next preceding each regularly scheduled interest payment date or any Special Interest Payment Date for the Series 1984A Bonds.

(55) "Remarketing Agent" means Goldman, Sachs & Co. and its permitted successors and assigns under the Remarketing Agreement.

(56) "Remarketing Agreement" means the Remarketing Agreement dated as of May 1, 1984 between the County and the Remarketing Agent.

(57) "Repayment Agreement" means (i) the Repayment Agreement dated as of May 1, 1984 between the County and Mellon Bank, and any amendments and supplements thereto and (ii) any repayment or similar agreement in substitution therefor entered into in connection with a substitute Letter of Credit issued in accordance with the provisions of Section 909 hereof, and any amendments and supplements thereto.

(58) "Reserve Fund" means the special account designated as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A Reserve Fund," created in Section 501 hereof.

(59) "Series 1984A Bonds" means the securities issued hereunder and designated as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A."

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(60) "Special Interest Payment Date" means (i) with respect to any Series 1984A Bond, the settlement date on which the Bank resells any such Series 1984A Bond previously purchased pursuant to the terms and conditions of the Repayment Agreement or the Letter of Credit, (ii) with respect to any Series 1984A Bond to be purchased following delivery of an Election Notice by the registered owner thereof, the date of purchase of such Series 1984A Bond pursuant to a draw on the Letter of Credit following receipt by the Trustee of notice of an event of default under the Repayment Agreement and (iii) with respect to all Outstanding Series 1984A Bonds, any Conversion Date.

(61) "Special Record Date" means a special record date fixed to determine the names and addresses of registered owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 303 hereof.

(62) "State" means the State of Nevada.

(63) "Subordinate Bonds" means bonds or securities which have a lien on the Net Pledged Revenues that is subordinate and junior to the lien thereon of the Series 1984A Bonds herein authorized.

(64) "Tender Period" means any period of time during which any Bondholder may deliver an Election Notice to the Registrar/Paying Agent which period commences on the date the Index Rate is determined and on the date any Par Value Rate is approved or any Adjusted Par Value Rate is determined pursuant to the procedures set forth in Section 303 hereof, and expires in each case at 4:00 p.m. New York City time on the second Business Day thereafter. Such period commencing on the date the Index Rate is determined is sometimes herein referred to as the "initial Tender Period" and such period commencing on the date any Par Value Rate is approved or any Adjusted Par Value Rate is determined is sometimes herein referred to as the "additional Tender Period."

(65) "Trustee" means Valley Bank of Nevada, Reno, Nevada, or any successor corporate trustee.

(66) "Trustee Accounts" mean the Bond Fund, the Acquisition Fund and the Reserve Fund.

Section 103. Successors. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the County or the Governing Body 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 Governing Body 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 Bank, the Trustee, the holders from time to time of the Series 1984A Bonds, and the holders of any other securities payable from Net Pledged Revenues, as well as the County and the Governing Body) 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 Governing Body, the Bank, the Trustee, any holder of any Series 1984A Bonds, and any holder of any such other security.

Section 105. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Governing Body, the officers of the County, and otherwise by the County directed toward the Project and toward the sale of the County's Series 1984A Bonds to the Purchaser for that purpose, hereby is ratified, approved and confirmed.

Section 106. Ordinance Irrepealable. After any of the Series 1984A Bonds are issued, this Ordinance shall constitute an irrevocable contract between the County and the holder or holders of the Series 1984A Bonds, the Trustee and the Bank; and this Ordinance, if any Series 1984A Bonds are in fact issued, shall be and shall remain irrepealable until the Series 1984A Bonds, as to all Bond Requirements, shall be fully paid, cancelled and discharged, except as provided in Article XIV hereof.

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 Ordinance 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 Ordinance.

Section 109. Emergency, Effective Date and Publication. The Governing Body has expressed in the preambles to this Ordinance

that it pertains to the sale, issuance and payment of the Series 1984A Bonds and that this Ordinance may accordingly be adopted as if an emergency now exists, and may become effective at any time when an emergency ordinance of the County may go into effect. Consequently, pursuant to NRS 350.579 and NRS 244.095 through 244.115, final action shall be taken immediately, and this Ordinance shall be in effect from and after its publication as hereinafter provided, and after this Ordinance is signed by the Chairman and attested and sealed by the Clerk, this Ordinance shall be published by title only, together with the names of the Commissioners voting for or against its passage, and with a statement that typewritten copies of this Ordinance are available for inspection by all interested parties at the office of the Clerk, such publication to be made in the Reno Gazette-Journal, a newspaper published and having general circulation in the County, at least once a week for a period of 2 weeks by 2 insertions, pursuant to NRS 244.100, and all laws thereunto enabling, such publication to be in substantially the following form:

(Form of Publication)

Bill No. 777

Ordinance No. 604

(of Washoe County, Nevada)

AN ORDINANCE DESIGNATED BY THE SHORT TITLE "5-1-84 BOND ORDINANCE" CONCERNING THE ACQUISITION AND FINANCING OF COUNTY HOSPITAL FACILITIES FOR WASHOE COUNTY, NEVADA; AUTHORIZING THE ISSUANCE BY THE COUNTY OF ITS NEGOTIABLE, "WASHOE COUNTY, NEVADA QUARTERLY TENDER BONDS (MEDICAL CENTER PROJECT) SERIES 1984A" FOR THE PURPOSE OF ACQUIRING AND FINANCING SUCH COUNTY HOSPITAL FACILITIES; AUTHORIZING AND DIRECTING THAT THE COUNTY SHALL EFFECT SUCH PROJECT; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER AND TERMS OF THEIR ISSUANCE, THE MANNER OF THEIR EXECUTION, THE METHOD OF PAYING THEM AND THE SECURITY THEREFOR, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE EXECUTION AND DELIVERY OF A REMARKETING AGREEMENT, A REPAYMENT AGREEMENT, A PURCHASE CONTRACT AND AN OFFERING MEMORANDUM; SECURING PAYMENT OF THE PURCHASE PRICE OF SUCH BONDS BY A REPAYMENT AGREEMENT AND A LETTER OF CREDIT; SECURING THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS BY A PLEDGE OF REVENUES DERIVED FROM THE OPERATION OF THE COUNTY'S HOSPITAL FACILITIES, AND TO THE EXTENT SUCH PLEDGED REVENUES ARE INSUFFICIENT, PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT THEREOF; PROVIDING CONDITIONS RELATING TO THE ISSUANCE OF ADDITIONAL SECURITIES IN THE FUTURE PAYABLE FROM SUCH PLEDGED REVENUES; PROVIDING OTHER COVENANTS, AGREEMENTS AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING THE BONDS, SUCH FACILITIES, AND SUCH REVENUES AND TAXES; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO; BY DECLARING THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE AND PAYMENT OF THE BONDS, ADOPTING IT AS IF AN EMERGENCY NOW EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

PUBLIC NOTICE IS HEREBY GIVEN that typewritten copies of the above-numbered and entitled ordinance are available for inspection by all interested parties at the office of the County Clerk of Washoe County, Nevada, at her office in the Washoe County Administration Building in Reno, Nevada; and that such ordinance was passed at the regular meeting on May 8, 1984 by the following vote of the Board of County Commissioners:

Those Voting Aye:

Jim King
Jim Lillard
Gene McDowell
Dick Ritter
Belie Williams, Chairman

Those Voting Nay:

Those Absent and

Not Voting:

This ordinance shall be in full force and effect from and after May 16, 1984, i.e., the date of the second publication of such ordinance by its title only.

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

DATED on this _____, 1984.

/s/ Belie Williams
Chairman
Board of County Commissioners
Washoe County, Nevada

(SEAL)

Attest:

/s/ Judi Bailey
County Clerk

(End of Form of Publication)

ARTICLE II

GOVERNING BODY'S DETERMINATIONS, AUTHORITY FOR
AND AUTHORIZATION OF PROJECT, NECESSITY OF
PROJECT AND SERIES 1984A BONDS, PROJECT COST,
AND OBLIGATION OF COUNTY

Section 201. Authority for this Ordinance. This Ordinance is adopted by virtue of the Project Act and the Bond Act and pursuant to their provisions; and the County has ascertained and hereby determines:

A. Compliance with Project and Bond Acts. 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 in accordance with the Project Act and the Bond Act, and all limitations in the Bond Act imposed upon the issuance of bonds or other securities thereunder have been met; and

B. Approval. The total cost, capacity, type, and plans and specifications of and for the construction, installation and other acquisition of the Project, to the extent heretofore prepared, have been and hereby are approved.

Section 202. Necessity of Project and Series 1984A 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 Series 1984A Bonds therefor; and it is hereby so determined and declared.

Section 203. Acceptance of Purchase Contract; Authorization of Use of Offering Memorandum. In accordance with the Project Act and with this Ordinance, the proposal for the purchase of the Series 1984A Bonds submitted by the Purchaser is formally accepted and the officers of the County are hereby authorized to enter into and execute the Purchase Contract in the form now before the County; the Purchaser's distribution and use of the Preliminary Offering Memorandum dated April 30, 1984 for the Series 1984A Bonds is hereby acknowledged, and the Chairman is hereby authorized to execute and deliver to the Purchaser a final Offering Memorandum to be used by the Purchaser in connection with the offering of the Series 1984A Bonds, substantially in the form of the Preliminary Offering Memorandum presented to the Governing Body at this meeting, with such amendments, additions and deletions as are consistent with the facts and not inconsistent herewith as may be approved by the Chairman.

Section 204. Approval and Execution of the Repayment Agreement, the Remarketing Agreement and the Agency Agreement. The forms terms and provisions of the Remarketing Agreement, the

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Repayment Agreement and the Agency Agreement be and they hereby approved and the County shall enter into the Repayment Agreement, the Remarketing Agreement and the Agency Agreement in the forms of each of such documents presented to the Governing Body at this meeting, with only such changes therein as are not inconsistent herewith; and the Chairman is hereby authorized to execute and deliver the Repayment Agreement, the Remarketing Agreement and the Agency Agreement and the County Treasurer is hereby authorized to counter-sign and the County Clerk is hereby authorized to affix the seal of the County to and to attest the Repayment Agreement.

Section 205. Authorization of Project. The Governing Body, on behalf of the County, does hereby determine to proceed with the acquisition of the Project as hereinabove delineated; and the Project is hereby so authorized. It is further determined that capitalization of interest in the amount of \$625,000 on a portion of the Series 1984A Bonds to not later than February 15, 1985, shall be a part of the Cost of the Project.

Section 206. Estimated Cost of Project. The cost of the Project is estimated not to exceed \$12,000,000 excluding any such cost defrayed or to be defrayed by any source other than the proceeds of the Series 1984A Bonds.

Section 207. General Obligations. The full faith and credit of the County are hereby pledged to the payment of the Bond Requirements of the Series 1984A Bonds; they shall constitute general obligations of the County and shall be payable from General Taxes on all taxable property in the County (except to the extent Net Pledged Revenues or other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State.

Section 208. No Pledge of Property. The payment of the Series 1984A Bonds is not secured by an encumbrance, mortgage or other pledge of property of the County, except the proceeds of General Taxes, the Net Pledged Revenues, and any other moneys pledged for the payment of the Series 1984A Bonds. No property of the County, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Series 1984A Bonds.

Section 209. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Series 1984A Bonds or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other instrument relating thereto, against any individual member of the Governing Body or any officer or other agent of the Governing Body or County, past, present or future, either directly or indirectly through the Governing Body 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 Series 1984A Bonds and as a part of the consideration of their issuance specially waived and released.

Section 210. County Not Obligated to Pay Purchase Price.
The payment of the purchase price of the Series 1984A Bonds upon optional or mandatory tender for purchase pursuant to Sections 403 through 408 hereof is secured by the Repayment Agreement and the Letter of Credit and such purchase price shall be paid only from moneys received pursuant to the terms and conditions of the Repayment Agreement, a draw upon the Letter of Credit or from newly purchasing Bondholders, as the case may be, the County having no obligation to pay such purchase price of the Series 1984A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE
OF SERIES 1984A BONDS

Section 301. Authorization of Series 1984A Bonds. The "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A" in the aggregate principal amount of \$12,000,000 are hereby authorized to be issued pursuant to the Project Act and the Bond Act.

Section 302. Equality of Bonds; Certain Exceptions. Except as otherwise provided herein, the principal of and interest on the Series 1984A Bonds and any Parity Bonds hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Net Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues, regardless of the time or times of the issuance of the Series 1984A Bonds and any other such Parity Bonds, it being the intention of the County that there shall be no priority among the Series 1984A Bonds and any such Parity Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Anything in this Section 302 or this Ordinance to the contrary notwithstanding, Series 1984A Bonds held in the name of the Bank after purchase pursuant to the terms and conditions of the Repayment Agreement or the Letter of Credit shall not be secured by or entitled to any of the benefits of the Repayment Agreement or the Letter of Credit for the period of time so held and shall be redeemed pursuant to Sections 401 or 402 hereof prior to any such redemption of all other Series 1984A Bonds Outstanding. Except as provided in the preceding sentence, the Series 1984A Bonds, but no other bonds or securities issued or hereafter issued by the County, including Parity Bonds, shall be secured by and entitled to the benefits of the Repayment Agreement and the Letter of Credit.

Section 303. Series 1984A Bond Detail. The Series 1984A Bonds shall be issuable only as fully registered Series 1984A Bonds, initially in the denomination of \$100,000 and any integral multiple thereof. The Series 1984A Bonds shall be numbered separately in such manner as the Registrar/Paying Agent shall determine.

The Series 1984A Bonds shall be dated the date of initial issuance and delivery. The Series 1984A Bonds shall bear interest from their date (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed from their date or the preceding interest payment date, as the case may be, through and including the day preceding the next interest payment date) payable quarterly on each July 1, October 1, January 1 and

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April 1 commencing July 1, 1984 (unless any such date is not a Business Day, in which case on the immediately succeeding Business Day), and on each Special Interest Payment Date, but only with respect to each Series 1984A Bond for which a Special Interest Payment Date is established, except that Series 1984A Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Series 1984A Bonds. The Series 1984A Bonds shall mature on April 1, 2014.

The Series 1984A Bonds shall bear interest (i) from their date to and including July 1, 1984 at the rate per annum determined pursuant to the Purchase Contract and (ii) from the preceding interest payment date for each Rate Period beginning on and after July 2, 1984 and for each Rate Period thereafter prior to the Conversion Date at a rate determined as follows:

(1) On the 15th day preceding each such Rate Period (or the immediately succeeding Business Day) the Registrar/Paying Agent shall give Electronic Notice to the registered owners of Series 1984A Bonds of the Index Rate, hereinafter defined, and that the registered owners of Series 1984A Bonds may, during the initial Tender Period, deliver notice of their election to tender Series 1984A Bonds (an "Election Notice") to the Registrar/Paying Agent for purchase as provided in Section 408 hereof. The term Index Rate means that rate of interest equal to (a) 104% of the rate specified in the J. J. Kenny Index for 90-day Aa (or higher rated) tax-exempt obligations prepared by Kenny Information Systems, a limited partnership in which Kenny Group, Inc. is the general partner or (b) in the event such Kenny Index is discontinued or is no longer in existence, 58% of the prime rate publicly announced by Mellon Bank, from time to time, on the date such Index Rate is determined and Electronic Notice thereof is given to the registered owners of Series 1984A Bonds as described above; provided that if such Index Rate exceeds the Maximum Rate it shall be deemed to be the Maximum Rate for all purposes.

(2) On the Business Day following the expiration date of the initial Tender Period, the Remarketing Agent shall (a) provide Electronic Notice to the Registrar/Paying Agent (who shall in turn provide Electronic Notice to the registered owners of Series 1984A Bonds) the County and the Trustee confirming the Index Rate as the rate of interest borne by the Series 1984A Bonds for the next succeeding Rate Period or (b) recommend by Electronic Notice to the Trustee and the County a rate of interest which the Remarketing Agent anticipates will result in the Series

1984A Bonds having a market value as of the commencement of the next succeeding Rate Period which approximates, as nearly as practicable, their par value (the "Par Value Rate"); provided that in no event shall the Par Value Rate so recommended be less than 80% or greater than 120% of the Index Rate determined pursuant to subparagraph (1) above; provided, further, that in no event shall the Par Value Rate exceed the Maximum Rate. Except as hereinafter provided, if the Remarketing Agent recommends a Par Value Rate pursuant to clause (b) of the preceding sentence, all Election Notices delivered during the initial Tender Period will be null and void and an additional Tender Period will commence as hereinafter described.

(3) Upon recommendation of any Par Value Rate by the Remarketing Agent, the County shall immediately take such actions as may be required by law to adopt, within five Business Days thereafter, (a) a resolution ratifying and approving such Par Value Rate or (b) a resolution setting forth the County's determination of that rate of interest, within the limitations set forth in subparagraph (2) above pertaining to the permissible adjustments of the interest rate on the Series 1984A Bonds (including, the limitation that interest on the Series 1984A Bonds not exceed the Maximum Rate) which the County anticipates will result in the Series 1984A Bonds having a market value, as of the commencement of the next succeeding Rate Period, which approximates as nearly as practicable their par value (the "Adjusted Par Value Rate") which resolution adopted pursuant to this clause (b) shall be accompanied by an opinion of nationally recognized bond counsel that (i) interest on the Series 1984A Bonds at such Adjusted Par Value Rate is exempt from Federal income taxation under statutes, regulations, rulings and court decisions existing on the date of such opinion and (ii) the Series 1984A Bonds are valid and legally binding obligations of the County under and in accordance with this Ordinance on the date of such opinion. Upon adoption of any resolution by the County pursuant to the preceding sentence the County shall provide the Registrar/Paying Agent, the Trustee and the Remarketing Agent with Electronic Notice (confirmed by written notice mailed within one Business Day thereafter) of its approval of the Par Value Rate or its determination of the Adjusted Par Value Rate.

(4) If the Registrar/Paying Agent, the Trustee and the Remarketing Agent do not receive such Electronic Notice from the County within five Business Days after the Remarketing Agent recommends a Par Value Rate pursuant to subparagraph (2) above, the Index Rate determined pursuant

to subparagraph (1) above shall be the rate of interest borne by the Series 1984A Bonds for the next succeeding Rate Period. In such event, the initial Tender Period shall be the only Tender Period during which Election Notices may be delivered prior to the next succeeding Rate Period. Upon approval of the Par Value Rate by the County or upon determination by the County of the Adjusted Par Value Rate, in the manner set forth in subparagraph (3) above, the Par Value Rate or the Adjusted Par Value Rate, as the case may be, shall be the rate of interest borne by the Series 1984A Bonds for the next succeeding Rate Period. Upon determination of such Par Value Rate or such Adjusted Par Value Rate, the Registrar/Paying Agent shall immediately give to the registered owners of Series 1984A Bonds Electronic Notice of such Par Value Rate or such Adjusted Par Rate, as the case may be, and that an additional Tender Period will commence as of such date.

Except as otherwise provided in subparagraph (1) through (4) above, the Electronic Notices described therein shall be confirmed by the Registrar/Paying Agent by written notice mailed within one Business Day thereafter.

Anything in the preceding paragraph to the contrary notwithstanding, (a) in the event that the Bank purchases any Series 1984A Bond pursuant to the terms and conditions of the Repayment Agreement or the Letter of Credit such Series 1984A Bond shall bear interest for the Rate Period commencing on the date such Series 1984A Bond is so purchased by the Bank and ending on the last day of such Rate Period (the "Bank Rate Period") (but only for the period of time such Series 1984A Bond is held by the Bank during such Bank Rate Period and not after the Bank has received from the Remarketing Agent a conditional offer (in writing or by Electronic Notice) to purchase any such Series 1984A Bond for a purchase price of not less than the principal amount thereof which offer is subsequently rejected by the Bank or is not accepted by the Bank within two Business Days following receipt thereof) at the Maximum Rate and (b) from and after the Conversion Date all of the Outstanding Series 1984A Bonds shall bear interest at the Maximum Rate. In the event that any Series 1984A Bonds held by the Bank are tendered for purchase on any interest payment date, but not purchased, such Series 1984A Bonds shall be deemed to have been sold and repurchased for purposes of commencement of a new Bank Rate Period pursuant to the preceding sentence.

The principal of the Series 1984A Bonds shall be payable in lawful money of the United States of America at the principal office of the Registrar/Paying Agent in New York, New York, or at the principal office of its successor upon presentation and surrender of the Series 1984A Bonds. Payment of interest on any Series 1984A Bond shall be made to the person who is the registered owner thereof at

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the close of business on the Regular Record Date for such interest payment date by check or draft mailed by the Registrar/Paying Agent to the registered owner at his address as it appears on the registration books kept by the Registrar/Paying Agent or, if requested by the registered owner of at least \$500,000 in principal amount of Series 1984A Bonds, by wire transfer in Federal Funds to such account or accounts as shall be designated by the registered owner, but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Series 1984A Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the registration books on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. All such payments shall be made in lawful money of the United States of America.

The Series 1984A Bonds are subject to the sinking fund provisions of Section 402 hereof. The Series 1984A Bonds are otherwise subject to prior redemption and to purchase as herein set forth. The Series 1984A Bonds shall be substantially in the form and tenor set forth in Section 314 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance.

Section 304. Execution of Series 1984A Bonds. The Series 1984A Bonds shall be executed in the name and on behalf of the County by the manual or facsimile signature of the Chairman of the Governing Body, shall be countersigned by the manual or facsimile signature of the County Treasurer and its corporate seal or a facsimile thereof shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the County Clerk. Any Series 1984A Bond may be signed (manually or by facsimile), sealed or attested on behalf of the County by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office.

Section 305. Registration, Transfer and Exchange of Series 1984A Bonds; Persons Treated as Owners. The County shall cause books for the registration and for the transfer of the Series 1984A Bonds as provided in this Ordinance to be kept by the Registrar/Paying Agent which is hereby appointed the Bond Registrar of the County for the Series 1984A Bonds. Upon surrender for transfer of any Series 1984A Bond at the principal office of the Registrar/Paying

Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the County shall execute and the Registrar/Paying Agent and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 1984A Bond or Series 1984A Bonds for a like aggregate principal amount of the same maturity.

Series 1984A Bonds may be exchanged at the principal office of the Registrar/Paying Agent for a like aggregate principal amount of fully registered Series 1984A Bonds of the same maturity in authorized denominations. The County shall execute and the Registrar/Paying Agent and the Trustee shall authenticate and deliver Series 1984A Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding. The execution by the County of any fully registered Series 1984A Bond of any denomination shall constitute full and due authorization of such denomination and the Registrar/Paying Agent and the Trustee shall thereby be authorized to authenticate and deliver such fully registered Series 1984A Bond.

The Registrar/Paying Agent shall not be required to transfer or exchange any Series 1984A Bond during the period of 15 days next preceding the mailing of notice of redemption or mandatory tender as herein provided. After the giving of such notice of redemption or mandatory tender or upon receipt of an Election Notice with respect to any Series 1984A Bond, the Registrar/Paying Agent shall not transfer or exchange any Series 1984A Bond, which Series 1984A Bond or a portion thereof has been called for redemption or is subject to optional or mandatory tender, as the case may be.

As to any Series 1984A Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, interest on or the purchase price of any fully registered Series 1984A Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 1984A Bond to the extent of the sum or sums paid.

The Registrar/Paying Agent shall require the payment by any Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 306. Lost, Stolen, Destroyed, and Mutilated Series 1984A Bonds. Upon receipt by the County and the Registrar/Paying Agent of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Series 1984A Bond and,

in the case of a lost, stolen or destroyed Series 1984A Bond, of indemnity satisfactory to them, and upon surrender and cancellation of the Series 1984A Bond, if mutilated, (i) the County shall execute, and the Registrar/Paying Agent and the Trustee shall authenticate and deliver, a new Series 1984A Bond of the same date, maturity and denomination in lieu of such lost, stolen, destroyed or mutilated Series 1984A Bond or (ii) if such lost, stolen, destroyed or mutilated Series 1984A Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Series 1984A Bond as aforesaid, the County may pay such Series 1984A Bond. Any such new Series 1984A Bond shall bear a number not contemporaneously outstanding. The applicant for any such new Series 1984A Bond may be required to pay all expenses and charges of the County and of the Registrar/Paying Agent in connection with the issuance of such Series 1984A Bond. All Series 1984A Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Series 1984A Bonds, negotiable instruments or other securities.

Section 307. Registration by Treasurer. Before any Series 1984A Bonds are delivered, they shall be registered by the Treasurer in a book kept in his office for that purpose, pursuant to § 350.612, Bond Act. The register shall show:

(i) The aggregate principal amount of the Series 1984A Bonds and the denomination of each Series 1984A Bond,

(ii) The time of payment of each of the Series 1984A Bonds, and

(iii) The rate of interest which each of the Series 1984A Bonds bears.

Section 308. Delivery of Series 1984A Bonds. After registration by the Treasurer, the County shall execute and deliver to the Registrar/Paying Agent and the Trustee and the Registrar/Paying Agent shall authenticate the Series 1984A Bonds and the Registrar/Paying Agent shall deliver them to the Purchaser thereof as directed by the County and as hereinafter in this Section provided.

Prior to the delivery of any of the Series 1984A Bonds, there shall have been filed with or delivered to the Trustee the following:

(a) A duly executed copy of this Ordinance.

(b) A duly executed copy of the Remarketing Agreement.

(c) A duly executed copy of the Repayment Agreement.

(d) A duly executed copy of the Agency Agreement.

(e) The original executed Letter of Credit.

(f) The written order of the County as to the delivery of the Series 1984A Bonds, signed by the Treasurer.

Section 309. Authentication Certificate. The authentication certificate upon the Series 1984A Bonds shall be substantially in the form and tenor set forth in Section 314 hereof. No Series 1984A Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Trustee and by the Registrar/Paying Agent; and such certificate of the Trustee and of the Registrar/Paying Agent upon any Series 1984A Bond shall be conclusive evidence and the only competent evidence that such Series 1984A Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed if signed with the manual or facsimile signature of an authorized officer of the Trustee and if manually signed by an authorized officer of the Registrar/Paying Agent but it shall not be necessary that the same officers sign the certificate of authentication on all of the Series 1984A Bonds issued hereunder.

Section 310. Cancellation and Destruction of Series 1984A Bonds by the Trustee. Whenever any outstanding Series 1984A Bonds shall be delivered to the Trustee or the Registrar/Paying Agent for the cancellation thereof pursuant to this Ordinance, upon payment of the principal amount thereof or for replacement pursuant to Section 306 hereof such Series 1984A Bonds shall be promptly cancelled and cremated or otherwise destroyed by the Trustee or the Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Trustee or the Registrar/Paying Agent, as the case may be, to the County.

Section 311. Temporary Series 1984A Bonds. Pending the preparation of definitive Series 1984A Bonds, the County may execute and the Trustee and the Registrar/Paying Agent shall authenticate and deliver temporary Series 1984A Bonds. Temporary Series 1984A Bonds shall be issuable as registered Series 1984A Bonds without coupons, of any denomination, and substantially in the form of the definitive Series 1984A Bonds but with such omissions, insertions and variations as may be appropriate for temporary Series 1984A Bonds, all as may be

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determined by the County. Every temporary Series 1984A Bond shall be executed by the County and be authenticated by the Trustee and the Registrar/Paying Agent upon the same conditions and in substantially the same manner, and with like effect, as the definitive Series 1984A Bonds. As promptly as practicable the County shall execute and shall furnish definitive Series 1984A Bonds and thereupon temporary Series 1984A Bonds may be surrendered in exchange therefor without charge at the principal office of the Registrar/Paying Agent, and the Registrar/Paying Agent and the Trustee shall authenticate and deliver in exchange for such temporary Series 1984A Bonds a like aggregate principal amount of definitive Series 1984A Bonds. Until so exchanged the temporary Series 1984A Bonds shall be entitled to the same benefits under this Ordinance as definitive Series 1984A Bonds.

Section 312. Incontestable Recital in Bonds. Pursuant to § 350.628, Bond Act, each Series 1984A Bond shall recite that it is issued pursuant to the Project Act and the Bond Act, which recital shall be conclusive evidence of the validity of the Series 1984A Bonds and regularity of their issuance.

Section 313. State Tax Exemption. Pursuant to § 350.710, Bond Act, the Series 1984A Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof.

Section 314. Bond Form. Each Series 1984A Bond, the certificate of authentication thereon and certain notices to be delivered in connection therewith shall be in substantially the following forms, with such appropriate variations, omissions and insertions as are required or permitted by this Ordinance, and with respect to such notices, as may be accepted and approved by the Registrar/Paying Agent:

(FORM OF BOND)

AS HEREINAFTER DESCRIBED, THIS BOND IS REQUIRED TO BE TENDERED FOR PURCHASE TO THE REGISTRAR/PAYING AGENT (HEREINAFTER REFERRED TO) AT A PURCHASE PRICE OF 100% OF THE PRINCIPAL AMOUNT HEREOF UPON THE OCCURRENCE OF CERTAIN EVENTS. FROM AND AFTER ANY REQUIRED TENDER DATE THE PRINCIPAL OF AND INTEREST ON THIS BOND SHALL BE PAYABLE SOLELY TO THE BANK (HEREINAFTER REFERRED TO), ITS TRANSFEREES OR ITS SUCCESSORS THERETO.

WASHOE COUNTY, NEVADA

QUARTERLY TENDER BOND

(MEDICAL CENTER PROJECT)

SERIES 1984A

No. ___

\$ _____

REGISTERED OWNER:

Dated: May 17, 1984

PRINCIPAL AMOUNT:

MATURITY DATE: APRIL 1, 2014

The County of Washoe, in the State of Nevada (herein the "County" and the "State," respectively) for value received, hereby acknowledges the County indebted and promises to pay the principal sum stated above in lawful money of the United States of America to the registered owner named above, or registered assigns, on the maturity date specified above (unless this bond shall have been called for prior redemption, in which case on such redemption date), upon the presentation and surrender hereof at the principal corporate trust office of Chemical Bank, New York, New York, as Registrar/Paying Agent (the "Registrar/Paying Agent") or at the principal corporate trust office of any successor Registrar/Paying Agent and to pay to the person who is the registered owner hereof at 2:00 p.m. New York City time on the day next preceding any interest payment date (the "Regular Record Date") by check or draft mailed to such registered owner at his address as it appears on the registration books kept for that purpose at the office of the Registrar/Paying Agent or, if requested by any registered owner of at least \$500,000 in principal amount of bonds of the series of which this is one (the "Bonds"), by wire transfer to such account or accounts as shall be designated by the registered owner, interest on said sum (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed between interest payment dates) in like coin

or currency, payable quarterly on July 1, October 1, January 1 and April 1 of each year, commencing July 1, 1984 (unless any such date is not a Business Day, in which case on the immediately succeeding Business Day, as defined in the herein defined Bond Ordinance), and on each Special Interest Payment Date, as hereinafter defined, but only with respect to each Bond for which a Special Interest Payment Date is established, until payment of the principal hereof has been made or provided for (i) from the date hereof to and including July 1, 1984 at the rate per annum determined pursuant to the Purchase Contract regarding the Bonds (as hereinafter defined) among the County, Goldman, Sachs & Co., Prudential-Bache Securities, Inc., Burrow Smith and Company Division and Mellon Bank, N.A. ("Mellon Bank") and (ii) from the preceding interest payment date and for each quarterly period thereafter beginning on any October 1, January 1, April 1 or July 1 (or the immediately succeeding Business Day if such date is not a Business Day) and ending on the day preceding the next succeeding January 1, April 1, July 1 or October 1 (or the immediately succeeding Business Day if such date is not a Business Day), as the case may be (a "Rate Period"), prior to the Conversion Date, as hereinafter defined, at a rate determined as follows:

(1) On the 15th day preceding each such Rate Period (or the immediately succeeding Business Day) the Registrar/Paying Agent shall give to the registered owner hereof Electronic Notice, as defined in the Bond Ordinance, of the Index Rate, hereinafter defined, and that the registered owner hereof may, not later than 4:00 p.m. New York City time on the second Business Day thereafter (such two Business Day Period is herein referred to as a "Tender Period" and such Tender Period immediately following the determination of the Index Rate is sometimes referred to herein as the "initial Tender Period") deliver notice of his election to tender this bond, or any \$100,000 portion thereof (an "Election Notice") to the Registrar/Paying Agent for purchase pursuant to the Bond Ordinance and as described herein. As hereinafter provided, failure to receive the notice referred to in the preceding sentence shall not extend the duration of any Tender Period. The term Index Rate means that rate of interest equal to (a) 104% of the rate specified in the J. J. Kenny Index for 90-day Aa (or higher rated) tax-exempt obligations prepared by Kenny Information Systems, a limited partnership in which Kenny Group, Inc. is the general partner or (b) in the event such Kenny Index is discontinued or is no longer in existence, 58% of the prime rate publicly announced by Mellon Bank, from time to time, on the date such Index Rate is determined and Electronic Notice thereof is given to the registered owner of this bond as described above; provided that if such Index Rate exceeds the Maximum Rate, as

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hereinafter defined, it shall be deemed to be the Maximum Rate for all purposes.

(2) On the Business Day following the expiration date of the initial Tender Period, the Remarketing Agent, as hereinafter defined, shall (a) provide Electronic Notice to the Registrar/Paying Agent (who shall in turn provide Electronic Notice to the registered owner hereof), the County and Valley Bank of Nevada, Reno, Nevada (together with any successors appointed pursuant to the Bond Ordinance, the "Trustee") confirming the Index Rate as the rate of interest borne by the Bonds for the next succeeding Rate Period or (b) recommend by Electronic Notice to the Trustee and the County a rate of interest which the Remarketing Agent anticipates will result in the Bonds having a market value as of the commencement of the next succeeding Rate Period which approximates, as nearly as practicable, their par value (the "Par Value Rate"); provided that in no event shall the Par Value Rate so recommended be less than 80% or greater than 120% of the Index Rate determined pursuant to subparagraph (1) above; provided, further, that in no event shall the Par Value Rate exceed the Maximum Rate. Except as hereinafter provided, if the Remarketing Agent recommends a Par Value Rate pursuant to clause (b) of the preceding sentence, all Election Notices delivered during the initial Tender Period will be null and void and an additional Tender Period will commence as hereinafter described.

(3) Upon recommendation of any Par Value Rate by the Remarketing Agent, the County shall immediately take such actions as may be required by law to adopt, within five Business Days thereafter, (a) a resolution ratifying and approving such Par Value Rate or (b) a resolution setting forth the County's determination of that rate of interest, within the limitations set forth in subparagraph (2) above pertaining to the permissible adjustments of the interest rate on the Bonds (including, the limitation that interest on this bond not exceed the Maximum Rate) which the County anticipates will result in the Bonds having a market value, as of the commencement of the next succeeding Rate Period, which approximates as nearly as practicable their par value (the "Adjusted Par Value Rate") which resolution adopted pursuant to this clause (b) shall be accompanied by an opinion of nationally recognized bond counsel that (i) interest on the Bonds at such Adjusted Par Value Rate is exempt from Federal income taxation under statutes, regulations, rulings and court decisions existing on the date of such opinion and (ii) the Bonds are valid and legally binding obligations of the

County under and in accordance with the Bond Ordinance on the date of such opinion. Upon adoption of any resolution by the County pursuant to the preceding sentence the County shall provide the Registrar/Paying Agent, the Trustee and the Remarketing Agent with Electronic Notice (confirmed by written notice mailed within one Business Day thereafter) of its approval of the Par Value Rate or its determination of the Adjusted Par Value Rate.

(4) If the Registrar/Paying Agent, the Trustee and the Remarketing Agent do not receive such Electronic Notice from the County within five Business Days after the Remarketing Agent recommends a Par Value Rate pursuant to subparagraph (2) above, the Index Rate determined pursuant to subparagraph (1) above shall be the rate of interest borne by the Bonds for the next succeeding Rate Period. In such event, the initial Tender Period shall be the only Tender Period during which Election Notices may be delivered prior to the next succeeding Rate Period. Upon approval of the Par Value Rate by the County or upon determination by the County of the Adjusted Par Value Rate, in the manner set forth in subparagraph (3) above, the Par Value Rate or the Adjusted Par Value Rate, as the case may be, shall be the rate of interest borne by the Bonds for the next succeeding Rate Period. Upon determination of such Par Value Rate or such Adjusted Par Value Rate, the Registrar/Paying Agent shall immediately give to the registered owner hereof Electronic Notice of such Par Value Rate or such Adjusted Par Value Rate, as the case may be, and that an additional Tender Period will commence as of such date.

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Except as otherwise provided in subparagraphs (1) through (4) above, the Electronic Notices described therein shall be confirmed by the Registrar/Paying Agent by written notice mailed within one Business Day thereafter. The term Special Interest Payment Date means (i) with respect to any Bond, the settlement date on which the Bank, as hereinafter defined, resells any such Bond previously purchased pursuant to the terms and conditions of the Repayment Agreement or the Letter of Credit, as respectively hereinafter defined, (ii) with respect to any Bond to be purchased following delivery of an Election Notice by the registered owner thereof, the date of purchase of such Bond pursuant to a draw on the Letter of Credit following receipt by the Trustee of notice of an event of default under the Repayment Agreement and (iii) with respect to all outstanding Bonds, any Conversion Date. The term Maximum Rate means, at any time, the lesser of (a) 12.99% per annum or (b) that rate of interest per annum on the Bonds which results in an "effective interest rate" on the Bonds, as defined in § 99.060, Nevada Revised Statutes, as amended, equal to 12.99% per annum. Anything in this paragraph to the

contrary notwithstanding, interest payable on the quarterly interest payment date following a Special Interest Payment Date for any Bond shall accrue from such Special Interest Payment Date for such Bond. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (as defined in the Bond Ordinance) for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto.

Anything in the preceding paragraph to the contrary notwithstanding, (a) in the event that Mellon Bank purchases this bond pursuant to the terms and conditions of the Letter of Credit or the Repayment Agreement dated as of May 1, 1984 between Mellon Bank and the County, or in the event that any other Bank (as hereinafter defined) purchases this bond pursuant to the terms and conditions of any repayment (or similar) agreement executed in connection with any substitute Letter of Credit (such Repayment Agreement or any such repayment (or similar) agreement is herein referred to as the "Repayment Agreement"), this bond shall bear interest during the Rate Period commencing on the date this bond is so purchased by the Bank and ending on the last day of such Rate Period (the "Bank Rate Period") (but only for the period of time this bond is held by the Bank during such Bank Rate Period and not after the Bank has received from the Remarketing Agent a conditional offer (in writing or by Electronic Notice) to purchase this bond for a purchase price of not less than the principal amount hereof which offer is subsequently rejected by the Bank or is not accepted by the Bank within two Business Days following receipt thereof) at the Maximum Rate and (b) from and after the Conversion Date this bond shall bear interest at the Maximum Rate. In the event that the Bank tenders this bond for purchase on any interest payment date and this bond is not purchased, this bond shall be deemed to have been sold and repurchased for purposes of commencement of a new Bank Rate Period pursuant to the preceding sentence.

Reference is hereby made to that certain Agency Agreement dated as of May 1, 1984 (the "Agency Agreement") among the County, the Trustee and the Registrar/Paying Agent pursuant to which Chemical Bank has been appointed Registrar/Paying Agent for the Bonds in accordance with the Bond Ordinance. The Trustee is obligated to provide written notice to Bondholders at their addresses as the same shall last appear on the registration books of the names and addresses of any successor Registrar/Paying Agent appointed pursuant to the terms of the Agency Agreement.

The Bonds in the aggregate principal amount of \$12,000,000 have been issued by the County and upon the credit thereof, under the authority of and in full conformity with the Constitution and laws of the State and the County, pursuant to §§ 450.010 through 450.510 and §§ 244A.011 through 244A.065, Nevada Revised Statutes, as amended (herein the "Project Act"), to §§ 350.500 through 350.720, Nevada Revised Statutes, as amended (herein the "Bond Act") and to the ordinance authorizing the Bonds (herein the "Bond Ordinance") for the purpose of providing funds to defray wholly or in part the costs of financing the enlargement, maintenance, repair, improvement and reconstruction of certain county hospital facilities, including without limitation the construction, installation and other acquisition of additional fixtures, structures and buildings for such county hospital facilities, equipment and furnishings therefor, and additional sites therefor (which includes the refinancing of short-term obligations issued for such purposes).

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 principal of and interest on this bond when the same become due (except to the extent other moneys are available therefor and), 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 principal of and interest on this bond according to the terms of this bond. Anything in this paragraph to the contrary notwithstanding, the County shall have no obligation with respect to the payment of the purchase price of Bonds subject to optional or mandatory tender for purchase as herein and in the Bond Ordinance described.

The payment of the principal of and interest on (but not the purchase price of) this bond is additionally secured by an irrevocable pledge of revenues derived by the County from the operation and use of, and otherwise pertaining to, the Facilities, as defined in the Bond Ordinance, whether resulting from extensions, enlargements, repairs, betterments or other improvements to the Facilities, or otherwise, including as a part thereof, other sources which may become available and to which the pledge and lien provided in the Bond Ordinance may be extended, after the deduction of Operation and Maintenance Expenses of the Facilities (herein the "Net Pledged Revenues").

The payment of the purchase price of this bond is secured by the Repayment Agreement and by an irrevocable Letter of Credit (the "Mellon Bank Letter of Credit") issued by Mellon Bank. The Mellon Bank Letter of Credit has a term expiring on May 1, 1987 or prior thereto under certain circumstances described in the Repayment

Agreement. Under the Bond Ordinance, the County may arrange to have the Mellon Bank Letter of Credit extended or to substitute a new letter of credit, containing substantially the same payment terms as the Mellon Bank Letter of Credit, for the Mellon Bank Letter of Credit prior to the expiration of the Mellon Bank Letter of Credit. The Mellon Bank Letter of Credit, any extensions thereof and any substitute letter of credit are herein referred to as the "Letter of Credit." Any bank or financial institution which issues a Letter of Credit is herein referred to as the "Bank".

The Bonds are equally and ratably secured by a lien on the Net Pledged Revenues, and the Bonds constitute an irrevocable and first lien (but not necessarily an exclusively first lien) upon the Net Pledged Revenues; provided, however, that Bonds, if any, purchased and held by the Bank shall not be secured by or entitled to any of the benefits of the Repayment Agreement or the Letter of Credit; and provided, further, that Bonds, if any, purchased and held by the Bank shall be redeemed pursuant to any optional or mandatory redemption described herein and in the Bond Ordinance prior to any such redemption of all other Bonds outstanding. Bonds and other securities, in addition to the Bonds, subject to expressed conditions, may be issued and made payable from the Net Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of the Bonds, in accordance with the provisions of the Bond Ordinance.

Reference is hereby made to the Bond Ordinance, and to any and all modifications and amendments thereof, to the Bond Act, to the Project Act, to the Repayment Agreement and to the Letter of Credit for a description of the revenues and General Taxes pledged, the nature and extent of the security, the rights, duties and obligations of the County, the Trustee, the Bank and the holders of the Bonds and the terms and conditions upon which the Bonds are, and are to be, secured.

Prior to the Conversion Date, any Bond (or any \$100,000 portion thereof) shall, at the option of the holder thereof (including the Bank), be purchased on July 1, 1984 or on any October 1, January 1, April 1 or July 1 thereafter (or the immediately succeeding Business Day if such date is not a Business Day) at a purchase price equal to 100% of the principal amount thereof in the manner herein set forth; provided, that if on or prior to such purchase date the Trustee receives notice from the Bank of an event of default under the Repayment Agreement any such Bond shall be purchased from the holder thereof pursuant to the Letter of Credit not later than the Business Day immediately succeeding the date specified for purchase at a purchase price equal to 100% of the principal amount thereof. In order to exercise such option with respect to any Bond the holder thereof shall deliver to the Registrar/Paying Agent

(a) during any Tender Period an Election Notice which states the principal amount of such Bond (or any \$100,000 portion thereof) to be purchased on the next succeeding July 1, October 1, January 1 or April 1 (or the immediately succeeding Business Day if such date is not a Business Day), as the case may be, (the "Tender Date") and (b) by 10:00 a.m. New York City time on such Tender Date, such Bond (or any such \$100,000 portion thereof) to be purchased; provided, however, that such Bond (or any \$100,000 portion thereof) to be purchased shall be so purchased only if the Bond (or any \$100,000 portion thereof) to be purchased shall conform in all respects to the description thereof in the aforesaid notice. By acceptance of this bond the holder hereof agrees (A) to provide the Registrar/Paying Agent with the telephone, telex or telecopier number at which he may be contacted in connection with the provision of Electronic Notice of the Par Value Rate, the Adjusted Par Value Rate or the Index Rate, as the case may be, and (B) that failure to receive such Electronic Notice (or any written notice required to be delivered in connection therewith) shall not permit the holder hereof to deliver an Election Notice as provided in the preceding sentence after 4:00 p.m. New York City time on the expiration date of any initial Tender Period or, in the event Election Notices delivered during the initial Tender Period become null and void, after 4:00 p.m. New York City time on the expiration date of any additional Tender Period. Unless an Election Notice becomes null and void as provided above, the delivery of an Election Notice shall be irrevocable and binding upon the Bondholder providing such notice. Pursuant to the procedures set forth in the Remarketing Agreement dated as of May 1, 1984 (the "Remarketing Agreement") between the County and Goldman, Sachs & Co. (together with any successors the "Remarketing Agent"), the Remarketing Agent is required to use its best efforts to solicit purchasers of such Bonds at a price equal to par. In the event that the Remarketing Agent is unable to obtain purchasers of such Bonds, such Bonds shall be purchased by the Bank as required by the Repayment Agreement or the Letter of Credit. Any such Bonds purchased pursuant to the Repayment Agreement or the Letter of Credit (following notice of an event of default under the Repayment Agreement) shall not be resold or registered in the name of any party other than the Bank unless, prior to or simultaneously with such resale or registration (i) the amount available to be drawn upon the Letter of Credit shall have been reinstated pro tanto and (ii) the Trustee, the Remarketing Agent and the Registrar/Paying Agent shall have received Electronic Notice (confirmed by written notice mailed within one Business Day thereafter) of such reinstatement from the Bank.

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The Bonds are subject to optional redemption prior to maturity by the County in whole or in part (in \$100,000 portions) on any interest payment date from funds (which prior to the Conversion Date must be Eligible Funds, as defined in the Bond Ordinance, unless the Bonds to be redeemed are held by the Bank) at a redemption price

equal to 100% of the principal amount plus accrued interest to the redemption date.

The Bonds are subject to mandatory redemption and mandatory tender for purchase from funds (which prior to the Conversion Date must be Eligible Funds unless the Bonds to be redeemed are held by the Bank) prior to maturity as follows:

(1) The Bonds are subject to mandatory redemption prior to maturity pursuant to the terms of a sinking fund provided in the Bond Ordinance, at a redemption price equal to the principal amount thereof plus accrued interest thereon on the dates and in the principal amounts provided in the Bond Ordinance;

(2) The Bonds are subject to mandatory tender by the Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase in whole not more than 30 days after (a) receipt of notice by the Trustee from the Bank of an event of default under the Repayment Agreement (notice of which shall be deemed provided if the Bank refuses to purchase Bonds pursuant to the terms of the Repayment Agreement), (b) a determination by the Trustee that amounts held in the Reserve Fund, as defined in the Bond Ordinance, are less than or deemed to be less than the Minimum Reserve, as defined in the Bond Ordinance, or (c) a petition in bankruptcy has been filed by or against, or is otherwise pending with respect to, the County, at a purchase price equal to 100% of the principal amount thereof. Bonds called for and subject to mandatory tender and purchase pursuant to the terms of this subparagraph shall be purchased by the Bank pursuant to the Letter of Credit on the purchase date;

(3) The Bonds are subject to mandatory tender by the Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase in whole on the interest payment date next preceding the stated expiration date of the Letter of Credit, unless thirty-five days prior to such interest payment date the County delivers to the Trustee evidence of the extension of the Letter of Credit on substantially the same terms as originally issued, (or evidence that the Letter of Credit is to be replaced with a substitute therefor, in which case the provisions of subparagraph (4) of this paragraph shall apply) at a purchase price equal to 100% of the principal amount thereof. Bonds called for and subject to mandatory tender and purchase pursuant to the terms of this subparagraph shall be purchased by the Bank pursuant to the Letter of Credit on the purchase date;

(4) The Bonds are subject to mandatory tender by the Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase on the interest payment date on which the Letter of

Credit is replaced with a substitute therefore as provided in the Bond Ordinance; provided, however, that any Bondholder may, by written notice received by the Registrar/Paying Agent not less than fifteen days prior to the date fixed for purchase, elect to retain his Bond (or any \$100,000 portion thereof) and such Bond (or any \$100,000 portion thereof) shall not be so purchased. Bonds called for and subject to mandatory tender and purchase pursuant to this subparagraph shall, unless sold by the Remarketing Agent pursuant to the terms of the Remarketing Agreement, be purchased by the Bank pursuant to the Letter of Credit on the purchase date, at a purchase price equal to 100% of the principal amount thereof;

(5) The Bonds are subject to mandatory tender by Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase in whole within 30 days after the Trustee receives written notice from the Bank that the sum of the products of (a) the principal amount of each Bond purchased by the Bank pursuant to the Repayment Agreement or the Letter of Credit and held by the Bank during any period of not less than thirty consecutive days during which the Bank holds Bonds multiplied by (b) a number which is equal to the number of days during such period each such Bond is held by the Bank, totals or exceeds \$360,000,000, at a purchase price equal to 100% of the principal amount thereof. For purposes of calculating the number of days any such Bond is held by the Bank pursuant to clause (b) of the preceding sentence, such number shall not include with respect to such Bond any period of time commencing on the date the Bank has received from the Remarketing Agent a conditional offer (in writing or by Electronic Notice) to purchase such Bond for a purchase price of not less than the principal amount thereof which offer is subsequently rejected by the Bank or is not accepted by the Bank within two Business Days following receipt thereof and ending on the date the Bank exercises its option to tender such Bond for purchase, as herein described. Bonds called for and subject to mandatory tender and purchase pursuant to the terms of this subparagraph shall be purchased by the Bank pursuant to the Letter of Credit on the purchase date; and

(6) The Bonds are subject to mandatory tender by Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase in whole within 30 days after the Trustee receives written notice from the Bank that the sum of the products of (a) the principal amount of each Bond purchased by the Bank at any time pursuant to the Repayment Agreement or the Letter of Credit multiplied by (b) a number which is equal to the number of days each such Bond was held by the Bank while the then current prime rate of interest publicly announced by the Bank from time to time exceeded the Maximum Rate, totals or exceeds \$360,000,000, at a purchase price equal to 100% of the principal amount

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thereof. For purposes of calculating the number of days any such Bond is held by the Bank under the circumstances described in clause (b) of the preceding sentence, such number shall not include with respect to such Bond any period of time commencing on the date the Bank has received from the Remarketing Agent a conditional offer (in writing or by Electronic Notice) to purchase such Bond for a purchase price of not less than the principal amount thereof which offer is subsequently rejected by the Bank or is not accepted by the Bank within two Business Days following receipt thereof and ending on the date the Bank exercises its option to tender such Bond for purchase, as herein described. Bonds called for and subject to mandatory tender and purchase pursuant to the terms of this subparagraph shall be purchased by the Bank pursuant to the Letter of Credit on the purchase date.

The date on which the Bank purchases all of the outstanding Bonds pursuant to subparagraphs (2), (3), (5) or (6) of this paragraph is herein referred to as the "Conversion Date." Any Bond called for and subject to mandatory tender and purchase or with respect to which an Election Notice has been delivered as herein described, if not delivered to the Registrar/Paying Agent on the date specified for purchase, shall be deemed to have been so delivered and shall be considered available for purchase. The Registrar/Paying Agent shall make appropriate notation on the registration books of any such Bond so deemed to have been delivered and purchased, shall authenticate a substitute Bond in lieu of any such Bond so deemed to have been delivered and shall give notice by mail to the registered owner of such Bond deemed to have been delivered that the Bond in the possession of such registered owner ceased to accrue interest on the date of such purchase and that the purchase price for such Bond so deemed to have been delivered shall be paid on presentation thereof at the principal corporate trust office of the Registrar/Paying Agent.

THE PAYMENT OF THE PURCHASE PRICE OF BONDS UPON OPTIONAL OR MANDATORY TENDER FOR PURCHASE AS HEREIN AND IN THE BOND ORDINANCE DESCRIBED IS SECURED BY THE REPAYMENT AGREEMENT AND THE LETTER OF CREDIT AND SUCH PURCHASE PRICE SHALL BE PAID ONLY FROM MONEYS RECEIVED PURSUANT TO THE TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT, A DRAW UPON THE LETTER OF CREDIT OR FROM NEWLY PURCHASING BONDHOLDERS, AS THE CASE MAY BE, THE COUNTY HAVING NO OBLIGATION TO PAY SUCH PURCHASE PRICE OF THE BONDS.

In the event less than all Bonds are to be redeemed, Bonds held by the Bank shall be redeemed prior to any such redemption of all other Bonds, and if no Bonds are then held by the Bank, Bonds to be redeemed shall be selected by lot (in \$100,000 portions) in such manner as the Trustee may determine; provided that following the Conversion Date Bonds may be redeemed in \$5,000 portions. Notice of any call for redemption or mandatory tender, as the case may be,

pursuant to the second preceding paragraph shall be given by the Trustee by mailing a copy of the redemption or mandatory tender notice by first class mail not less than twenty-five days prior to the redemption or mandatory tender date to the registered owner of the Bond to be redeemed or purchased in whole or in part at the address last showing on the registration books. Failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption or purchase of such Bonds. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their payment are on deposit at the place of payment at such time. The notice of any optional redemption of Bonds (other than Bonds held by the Bank) shall state, in addition to the other information required to be stated therein, that such redemption may be revoked if Eligible Funds are not available on the redemption date to pay the redemption price. The notice of any call for mandatory tender pursuant to subparagraph (4) of the preceding paragraph shall state, in addition to any other information required to be stated therein, (a) that the rating assigned to the Bonds by Moody's Investors Service, Inc. will expire on the date the Letter of Credit is to be replaced with a substitute therefor, (b) that any Bondholder may elect to retain his Bond (or any \$100,000 portion thereof) upon notifying the Trustee in writing of his election to retain his Bond (or any \$100,000 portion thereof) at least fifteen days prior to the date fixed for purchase and (c) the principal terms of any substitute Letter of Credit, and shall include a copy of the Repayment Agreement to be executed in connection with any substitute Letter of Credit. The Trustee shall cause written notice to be mailed to Bondholders at their addresses last showing on the registration books of the extension of the Letter of Credit on substantially the same terms as originally issued and of the rating, if any, assigned to the Bonds by Moody's Investors Service, Inc. or any other rating agency upon such extension of the Letter of Credit.

AS STATED ABOVE, FAILURE TO GIVE ANY NOTICE OF REDEMPTION OR MANDATORY TENDER BY MAILING SUCH NOTICE TO THE REGISTERED OWNERS OF THE BONDS, OR ANY DEFECT THEREIN, SHALL NOT AFFECT THE VALIDITY OF ANY PROCEEDINGS FOR THE REDEMPTION OR PURCHASE OF BONDS HELD BY SUCH REGISTERED OWNERS.

Prior to the Conversion Date, the Bonds are issuable as fully registered bonds in the denomination of \$100,000 and any integral multiple thereof. Bonds, upon surrender thereof at the office of the Registrar/Paying Agent, may, at the option of the holder thereof, be exchanged for an equal aggregate principal amount of Bonds of other authorized denominations in the manner and subject to the conditions provided in the Bond Ordinance.

This bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the

registration books kept at the principal office of the Registrar/Paying Agent upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Registrar/Paying Agent. Upon such transfer a new fully registered bond of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor, all subject to the terms and conditions set forth in the Bond Ordinance. The County, the Registrar/Paying Agent and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof, whether or not this bond shall be overdue, for the purpose of receiving payment and for all other purposes, and neither the County, the Registrar/Paying Agent nor the Trustee shall be affected by any notice to the contrary.

The Bonds are issued pursuant to the Project Act and the Bond Act, and pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to § 350.710, of the Bond Act, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof.

To the extent permitted by, and as provided in, the Bond Ordinance, the provisions of the Bond Ordinance or any ordinance amendatory thereof or supplemental thereto may be modified or amended by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Bond Ordinance.

No recourse shall be had for the payment of this bond or for any claim based thereon or otherwise upon the Bond Ordinance or other instrument relating thereto, against any individual member of the Board of County Commissioners or any officer or other agent of the County, past, present or future, either directly or indirectly through such Board of County Commissioners 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.

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 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 Project Act and the Bond Act and all laws supplemental thereto, and with the Bond Ordinance; and that this bond does not contravene any constitutional or statutory limitation.

This bond shall not be entitled to any benefit under the Bond Ordinance, or become valid or obligatory for any purpose until

the Trustee and the Registrar/Paying Agent shall have signed the certificate of authentication hereon. The Trustee's signature may be manual or in facsimile.

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

COUNTY OF WASHOE, NEVADA

Chairman
Board of County Commissioners

Countersigned:

By _____
County Treasurer

(Facsimile Seal)
Attest:

County Clerk

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(END OF FORM OF BOND)

(FORM OF CERTIFICATE OF AUTHENTICATION)

Date of Registration:

This is one of the Bonds described in the within mentioned Bond Ordinance.

Chemical Bank
as Registrar/Paying Agent

and Valley Bank of Nevada
as Trustee

By:

Authorized Officer

By:

Authorized Officer

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Address of transferee:

Social Security or other tax
identification number of transferee:

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

(END OF FORM OF ASSIGNMENT)

NOTICE OF BONDHOLDER DEMAND FOR PURCHASE

Pursuant to Section 408 of the Bond Ordinance pursuant to which Washoe County, Nevada (the "County") authorized the issuance of its Quarterly Tender Bonds (Medical Center Project) Series 1984A (the "Bonds"), the undersigned hereby presents this Bondholder Demand for Purchase to Chemical Bank, New York, New York, as Registrar/Paying Agent (the "Registrar/Paying Agent"), and elects to have the Bond(s) (or any \$100,000 portion thereof) specified below purchased on the January 1, April 1, July 1 or October 1 (or the immediately succeeding Business Day if such date is not a Business Day) next succeeding the date of this Bondholder Demand for Purchase (the "Purchase Date") at 100% of the aggregate principal amount thereof (the "Purchase Price"). This Notice of Bondholder Demand for Purchase will not be accepted unless it is received by the Registrar/Paying Agent at the address specified below, properly completed, not later than 4:00 p.m. New York City time on the second Business Day (as defined in the Bond Ordinance) following the date on which the rate of interest for the Bonds for the interest rate period beginning on the Purchase Date is determined.

Delivery of this Notice of Bondholder Demand for Purchase and the Bond(s) for which purchase of any portion thereof is demanded to the Registrar/Paying Agent shall be addressed as follows: Chemical Bank, 55 Water Street, New York, New York 10275, Attention: Corporate Trust Department.

(A)	(B)	(C)	(D)
Bond Number	Principal Amount For Which Purchase Is Demanded	Principal Amount For Which Purchase Is Not Demanded	Denominations Requested
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
Total	\$ _____	Total \$ _____	Total \$ _____

Note: You must insert in the space provided above: In Column (A) the number of each of the Bond(s) for which purchase of any portion thereof is demanded hereunder which are registered in your own name(s); in Column (B) the principal amount of such Bond(s) you wish to have purchased (in the amount of \$100,000 or integral multiples thereof); in Column (C) the principal amount of such Bond(s) you do not wish to have purchased; and, in Column (D) the denominations in which you wish Bond(s) to be issued in exchange for the principal amount of such Bond(s) you do not wish to have purchased.

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The undersigned hereby authorizes the Remarketing Agent to accept on his behalf the Purchase Price of this Bond or portion thereof pursuant to the Bond Ordinance, and elects to receive payment for this Bond or portion thereof for which demand for purchase has been made

by wire transfer to the account indicated below

Bank: _____

Account# _____

by official bank check mailed to the undersigned at the address indicated below:

Print or Type _____

Name(s)

Street

City State Zip Code

(_____)

Area Code Telephone Number

Signature(s): _____

Signature (s)

Guaranteed: _____

Dated: _____

Note: The signature(s) on this Notice of Demand for Purchase must correspond to the name(s) of the registered owner(s) of the Bond(s) (for which purchase of any portion is demanded hereby) appearing on the books of the Registrar/Paying Agent in every particular, without alteration, enlargement or any change whatsoever.

NOTICE OF BONDHOLDER ELECTION TO RETAIN BONDS

Pursuant to Section 405 of the Bond Ordinance pursuant to which Washoe County, Nevada (the "County") authorized the issuance of its Quarterly Tender Bonds (Medical Center Project) Series 1984A (the "Bonds"), the undersigned hereby elects to retain the Bond(s) (or any \$100,000 portion thereof) described below, which Bond is subject to mandatory tender for purchase on _____, _____ (the "purchase date"). This Notice of Bondholder Election to Retain Bonds will not be accepted unless it is received by Chemical Bank, as Registrar/Paying Agent (the "Registrar/Paying Agent"), properly completed, not later than the close of business on the twentieth day prior to the purchase date.

(A)	(B)	(C)
<u>Bond Number</u>	<u>Principal Amount to be Retained</u>	<u>Denominations Requested</u>
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

Total \$ _____ Total \$ _____

Note: (i) You must insert in the space provided above: In Column (A) the number of each of the Bond(s) which are registered in your own name(s); in column (B) the principal amount of such Bond(s) you wish to retain (in the amount of \$100,000 or integral multiples thereof); and, in Column (C) the denominations in which you wish Bond(s) to be issued in exchange for the principal amount of such Bond(s) you wish to retain.

Signatures(s): _____
 Signatures(s) _____
 Guaranteed: _____

Dated: _____
 Note: The signature(s) on this Notice of Election to Retain Bonds must correspond to the name(s) of the registered owner(s) of the Bond(s) appearing on the books of the Registrar/Paying Agent in every particular, without alteration, enlargement or any change whatsoever.

ARTICLE IV

REDEMPTION AND PURCHASE OF SERIES 1984A BONDS
PRIOR TO MATURITY

Section 401. Optional Redemption of Series 1984A Bonds. The Series 1984A Bonds are redeemable by the County in whole or in part (in \$100,000 portions) on any interest payment date, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date.

Section 402. Sinking Fund. The Series 1984A Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date as follows:

(A) Sinking Fund Requirements Prior to Conversion Date.

As and for a sinking fund for the redemption of Series 1984A Bonds prior to the Conversion Date there shall be deposited pursuant to Section 702 hereof in the Bond Fund and the Reserve Fund a sum which is sufficient to redeem (after credit as provided below) the following principal amounts of Series 1984A Bonds plus accrued interest to the redemption date:

<u>April 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>	<u>April 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>
1986	\$200,000	2000	\$ 500,000
1987	200,000	2001	300,000
1988	200,000	2002	300,000
1989	200,000	2003	300,000
1990	200,000	2004	300,000
1991	200,000	2005	300,000
1992	300,000	2006	300,000
1993	300,000	2007	400,000
1994	300,000	2008	400,000
1995	300,000	2009	400,000
1996	400,000	2010	500,000
1997	400,000	2011	900,000
1998	400,000	2012	900,000
1999	500,000	2013	1,000,000
		2014*	1,100,000

*Maturity date of the Series 1984A Bonds.

Not more than 124 days nor less than 25 days prior to the sinking fund payment date for the Series 1984A Bonds specified in this paragraph (A) the Trustee shall proceed to select for redemption in the manner provided in Section 409 hereof from all Series 1984A Bonds Outstanding a principal amount of Series 1984A Bonds equal to the aggregate principal amount of Series 1984A Bonds redeemable with the required sinking fund payment, and shall call such Series 1984A Bonds or portions thereof (\$100,000 or any integral multiple thereof) for redemption from the sinking fund on the next April 1, and give notice of such call.

At the option of the County to be exercised by delivery of a written certificate to the Trustee not less than 124 days next preceding any sinking fund redemption date specified in this paragraph (A), it may (i) deliver to the Trustee for cancellation Series 1984A Bonds in an aggregate principal amount desired by the County or, (ii) specify a principal amount of Series 1984A Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Trustee and not theretofore applied as a credit against any sinking fund redemption obligation. Each Bond so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the County on such sinking fund redemption date and any excess shall be so credited against future sinking fund redemption obligations in chronological order. In the event the County shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the Series 1984A Bonds to be cancelled.

(B) Sinking Fund Requirements Following Conversion Date.

As and for a sinking fund for the redemption of Series 1984A Bonds following the Conversion Date there shall be deposited pursuant to Section 702 hereof in the Bond Fund and the Reserve Fund a sum which is sufficient to redeem (after credit as hereinafter provided) an amount equal to one-fortieth (1/40th) of the principal amount of the Outstanding Series 1984A Bonds (determined as of such Conversion Date) on each of the forty quarterly interest payment dates thereafter; provided that such schedule of forty quarterly payments shall be first increased and then decreased in regular order of maturity to the extent necessary to make each such sinking payment be in an amount which is an integral multiple of \$5,000; and provided

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further, that each such quarterly payment shall be increased (by \$5,000 or any integral multiple thereof) to the extent that Net Pledged Revenues have been paid into the Bond Fund pursuant to Section 705 hereof and are available to make such increased payments on or prior to the 45th day next preceding each quarterly sinking fund payment date. To the extent such quarterly sinking fund payments are increased pursuant to the preceding sentence the amounts required to be paid pursuant to this paragraph (B) shall thereafter be correspondingly reduced in inverse order of maturity of the quarterly sinking fund payments required to be made.

Not more than 45 days nor less than 25 days prior to the sinking fund payment date for the Series 1984A Bonds specified in this paragraph (B) the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) from all Series 1984A Bonds outstanding a principal amount of Series 1984A Bonds equal to the aggregate principal amount of Series 1984A Bonds redeemable with the required sinking fund payment, and shall call such Series 1984A Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from the sinking fund on the next sinking fund payment date, and give notice of such call.

Section 403. Mandatory Tender Upon Default under Repayment Agreement, Failure to Make Payments, or Bankruptcy. The Series 1984A Bonds are subject to mandatory tender by the Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase prior to maturity in whole, not more than 30 days after (a) receipt by the Trustee of notice from the Bank of an event of default under the Repayment Agreement (notice of which shall be deemed provided if the Bank refuses to purchase Series 1984A Bonds pursuant to the terms of the Repayment Agreement) (b) a determination by the Trustee that amounts held in the Reserve Fund are less than the Minimum Reserve or are deemed to be less than the Minimum Reserve under Section 708 hereof or (c) a petition in bankruptcy is filed by or against, or is otherwise pending with respect to, the County, at a purchase price equal to 100% of the principal amount thereof.

Section 404. Mandatory Tender Upon Termination of Letter of Credit. The Series 1984A Bonds are subject to mandatory tender by the Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase in whole on the interest payment date next preceding the stated expiration date of the Letter of Credit, unless thirty-five days prior to such interest payment date the County delivers to the Trustee evidence of the extension of the Letter of Credit on substantially the same terms as originally issued (or evidence that the Letter of Credit is to be replaced with a substitute therefor, in

which case the provisions of Section 405 hereof shall apply), at a purchase price equal to 100% of the principal amount thereof.

Section 405. Mandatory Tender upon Replacement of Letter of Credit. The Series 1984A Bonds are subject to mandatory tender by the Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase on the interest payment date on which the Letter of Credit is replaced with a substitute therefor, as provided in Section 909 hereof; provided, however, that any Bondholder may, by written notice received by the Registrar/Paying Agent not less than fifteen days prior to the date fixed for purchase pursuant to this Section 405, elect to retain his Series 1984A Bond (or any \$100,000 portion thereof) and such Series 1984A Bond (or any \$100,000 portion thereof) shall not be purchased pursuant to this Section 405. Upon receipt of any such notice the Registrar/Paying Agent shall, on the next succeeding Business Day, provide Electronic Notice to the Remarketing Agent of those Series 1984A Bonds (or any \$100,000 portion or portions thereof) which Bondholders have not elected to retain and which are subject to mandatory tender for purchase pursuant to this Section 405. Upon receipt of such notice from the Registrar/Paying Agent, the Remarketing Agent shall, unless otherwise instructed by the County, offer for sale and use its best efforts to sell such Series 1984A Bonds, any such sale to be effected on the date upon which such Series 1984A Bonds are required to be purchased pursuant to this Section 405. The Remarketing Agent shall give Electronic Notice to the Trustee and to the Registrar/Paying Agent, by 12:00 a.m. New York City time on the Business Day prior to the day upon which Series 1984A Bonds are required to be purchased pursuant to this Section 405, of any purchaser of such Series 1984A Bonds or that it has found no purchaser. Series 1984A Bonds called for and subject to mandatory tender and purchase pursuant to the provisions of this Section 405 shall, unless sold by the Remarketing Agent pursuant to the terms of the Remarketing Agreement, be purchased on the purchase date by the Bank pursuant to the terms and conditions of the Repayment Agreement and the Letter of Credit at a purchase price equal to 100% of the principal amount thereof. Any Series 1984A Bond sold by the Remarketing Agent shall be registered upon the books of the Registrar/Paying Agent as directed by the Remarketing Agent on behalf of such purchaser. The Remarketing Agent may purchase any such Series 1984A Bond for its own account.

Section 406. Mandatory Tender If Bank Holds Bonds for 30 Days. The Series 1984A Bonds are subject to mandatory tender by Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase in whole within 30 days after the Trustee receives written notice from the Bank that the sum of the products of (a) the principal amount of each Series 1984A Bond purchased by the Bank pursuant to the Repayment Agreement or the Letter of Credit and held by the Bank during any period of not less than thirty consecutive days during which the Bank holds Series 1984A Bonds multiplied by (b) a

number which is equal to the number of days during such period each such Series 1984A Bond is held by the Bank, totals or exceeds \$360,000,000, at a purchase price equal to 100% of the principal amount thereof. For purposes of calculating the number of days any such Series 1984A Bond is held by the Bank pursuant to clause (b) of the preceding sentence, such number shall not include with respect to such Series 1984A Bond any period of time commencing on the date the Bank has received from the Remarketing Agent a conditional offer (in writing or by Electronic Notice) to purchase such Series 1984A Bond for a purchase price of not less than the principal amount thereof which offer is subsequently rejected by the Bank or is not accepted by the Bank within two Business Days following receipt thereof and ending on the date the Bank exercises its option to tender such Series 1984A Bond for purchase pursuant to Section 408 hereof.

Section 407. Mandatory Tender If Dollar Days Exceeded. The Series 1984A Bonds are subject to mandatory tender by Bondholders (other than the Bank) to the Registrar/Paying Agent for purchase in whole within 30 days after the Trustee receives written notice from the Bank that the sum of the products of (a) the principal amount of each Series 1984A Bond purchased by the Bank at any time pursuant to the Repayment Agreement or the Letter of Credit multiplied by (b) a number which is equal to the number of days each such Series 1984A Bond was held by the Bank while the then current prime rate of interest publicly announced by the Bank from time to time exceeded the Maximum Rate, totals or exceeds \$360,000,000, at a purchase price equal to 100% of the principal amount thereof. For purposes of calculating the number of days any such Series 1984A Bond is held by the Bank under the circumstances described in clause (b) of the preceding sentence, such number shall not include with respect to such Series 1984A Bond any period of time commencing on the date the Bank has received from the Remarketing Agent a conditional offer (in writing or by Electronic Notice) to purchase such Series 1984A Bond for a purchase price of not less than the principal amount thereof which offer is subsequently rejected by the Bank or is not accepted by the Bank within two Business Days following receipt thereof and ending on the date the Bank exercises its option to tender such Series 1984A Bond for purchase pursuant to Section 408 hereof.

Section 408. Bondholder Option to Tender Series 1984A Bonds for Purchase. The holder of any Series 1984A Bond (including the Bank) shall have the option to tender such Series 1984A Bond to the Registrar/Paying Agent for purchase on July 1, 1984 or on any October 1, January 1, April 1 or July 1 thereafter (or the immediately succeeding Business Day if such date is not a Business Day) prior to the maturity date of such Series 1984A Bond, such purchase to occur in the manner and under the conditions set forth below.

A. Any Series 1984A Bond (or any \$100,000 portion thereof) shall be purchased on July 1, 1984 or on any October 1,

January 1, April 1 or July 1 thereafter (or the immediately succeeding Business Day if such date is not a Business Day) (a "Tender Date") at a purchase price equal to 100% of the principal amount thereof; provided that if on or prior to such purchase date the Trustee receives notice from the Bank of an event of default under the Repayment Agreement, any such Series 1984A Bond shall be purchased pursuant to the Letter of Credit from the registered owner thereof not later than the Business Day immediately succeeding the date specified for purchase at a purchase price equal to 100% of the principal amount thereof. In order to exercise such option the holder thereof shall deliver to the Registrar/Paying Agent (i) during any Tender Period an Election Notice stating the principal amount of such Series 1984A Bond (or any \$100,000 portion thereof) to be purchased on the Tender Date (which Election Notice shall be confirmed in writing within the relevant Tender Period) and (ii) by 10:00 a.m. New York City time on such Tender Date, such Series 1984A Bond (or any \$100,000 portion thereof) to be purchased; provided, however, that such Series 1984A Bond (or any \$100,000 portion thereof) shall be purchased pursuant to this Section 408 only if the Series 1984A Bond (or any \$100,000 portion thereof) to be purchased so delivered to the Registrar/Paying Agent shall conform in all respects to the description thereof in the aforesaid notice. By acceptance of the Series 1984A Bonds each holder agrees (i) to provide the Registrar/Paying Agent with the telephone, telex or telecopier number at which he may be contacted in connection with the provision of Electronic Notice of the Par Value Rate, the Adjusted Par Value Rate or the Index Rate, as the case may be, and (ii) that failure to receive such Electronic Notice (or any written notice required to be delivered in connection therewith) shall not permit any Bondholder to deliver an Election Notice as provided in this Section 408 after 4:00 p.m. New York City time on the expiration date of any initial Tender Period, or in the event Election Notices delivered in the initial Tender Period become null and void, after 4:00 p.m. New York City time on the expiration date of any additional Tender Period. Unless an Election Notice becomes null and void as provided in Section 303 hereof, the delivery of an Election Notice pursuant to this Section 408 shall be irrevocable and binding upon the Bondholder providing such notice.

B. The Registrar/Paying Agent shall immediately notify by Electronic Notice the County, the Bank and the Remarketing Agent of each Election Notice delivered in accordance with paragraph (A) of this Section 408, specifying the principal amount and numbers of the Series 1984A Bonds with respect to which such Election Notice has been delivered and shall supply written confirmation of such notice to such parties within one Business Day thereafter.

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C. On the date on which payment is due pursuant to any demand for purchase made in accordance with paragraph (A) of this Section 408, such Series 1984A Bonds shall be purchased from the holders thereof at a purchase price equal to 100% of the principal amount thereof.

D. Except upon receipt by the Trustee of notice from the Bank of an event of default under the Repayment Agreement (Electronic Notice of which shall be immediately given by the Trustee to the Registrar/Paying Agent and the Remarketing Agent) upon the delivery to the Registrar/Paying Agent of an Election Notice by any Bondholder in accordance with paragraph (A) of this Section, the Remarketing Agent shall, unless otherwise instructed by the County, offer for sale such Series 1984A Bonds, any such sale to be effected, on the date on which purchase has been demanded, at a price equal to 100% of the principal amount thereof. The Remarketing Agent shall give Electronic Notice to the Trustee and to the Registrar/Paying Agent (and to the Bank if the Remarketing Agent has not found a purchaser), by 10:00 a.m. New York City time on the Business Day prior to the day upon which purchase of any Series 1984A Bond has been demanded, of any purchaser for such Series 1984A Bond or that it has found no purchaser. If the Remarketing Agent shall give such notice that it has obtained no purchaser, or if the Remarketing Agent shall fail to give such notice, such Series 1984A Bonds shall be purchased by the Bank pursuant to the terms and conditions of the Repayment Agreement or the Letter of Credit. Any such Series 1984A Bonds purchased pursuant to the Repayment Agreement or the Letter of Credit (following notice of an event of default under the Repayment Agreement) shall not be resold or registered in the name of any party other than the Bank unless, prior to or simultaneously with such resale or registration (i) the amount available to be drawn upon the Letter of Credit shall have been reinstated pro tanto and (ii) the Trustee, the Remarketing Agent and the Registrar/Paying Agent shall have received Electronic Notice (confirmed by written notice mailed within one Business Day thereafter) of such reinstatement from the Bank. Any Series 1984A Bond sold by the Remarketing Agent shall be registered upon the books of the Registrar/Paying Agent as directed by the Remarketing Agent on behalf of such purchaser. The Remarketing Agent may purchase any such Series 1984A Bond for its own account. Any Series 1984A Bond sold to the Bank shall be registered in the name of the Bank or its designee.

Section 409. Method of Selecting Series 1984A Bonds. In the event that less than all of the Outstanding Series 1984A Bonds shall be redeemed, Series 1984A Bonds purchased and held by the Bank shall be redeemed prior to any such redemption of all other Series 1984A Bonds and if no Series 1984A Bonds are then held by the Bank,

the Series 1984A Bonds redeemed shall be selected for redemption by lot in such manner as the Trustee may determine. In case a fully registered Series 1984A Bond is of a denomination larger than \$100,000, a portion of such Series 1984A Bond (\$100,000 or any integral multiple thereof) may be redeemed, but Series 1984A Bonds shall be redeemed only in the principal amount of \$100,000 or any integral multiple thereof; provided that following the Conversion Date Series 1984A Bonds may be redeemed in the principal amount of \$5,000 or any integral multiple thereof.

Section 410. Notice of Redemption and of Rating. Except as otherwise provided in this Section, Series 1984A Bonds shall be called for optional redemption by the Trustee as herein provided upon receipt by the Trustee at least 124 days prior to the redemption date (unless the redemption price is to be paid from Eligible Funds within the meaning of clause (ii) of the definition of Eligible Funds set forth in Article I hereof or unless the redemption date occurs after the Conversion Date, in which case at least 25 days prior to the redemption date) of a certificate of the County specifying the principal amount of the Series 1984A Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Ordinance pursuant to which such Series 1984A Bonds are to be called for redemption. The provisions of the preceding sentence shall not apply to the mandatory redemption or purchase, as the case may be, of Series 1984A Bonds pursuant to Sections 402, 403, 404, 405, 406, 407 or 408 hereof and Series 1984A Bonds shall be called for redemption or purchase by the Trustee pursuant to such Sections without the necessity of any action by the County. Series 1984A Bonds shall be called for mandatory tender and purchase pursuant to Section 405 hereof as herein provided upon receipt by the Trustee at least thirty-five days prior to the redemption date of a certificate of the County specifying the information (set forth in the following paragraph) required to be included in a notice to Bondholders of mandatory tender and purchase pursuant to Section 405 hereof. The Trustee shall cause notice of the call for redemption or purchase to be given not less than twenty-five days prior to the redemption or purchase date by mailing a copy of the redemption or purchase notice to the registered owners of any Series 1984A Bonds designated for redemption or purchase in whole or in part, at their addresses as the same shall last appear upon the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption or purchase of such Series 1984A Bonds.

Each notice of redemption or purchase, as the case may be, shall specify the date fixed for redemption or purchase, the principal amount of Series 1984A Bonds or portions thereof (\$100,000 or any integral multiple thereof, or following the Conversion Date, \$5,000 or any integral multiple thereof) to be redeemed or purchased, the redemption or purchase price, the place or places of payment, that

payment will be made upon presentation and surrender of the Series 1984A Bonds to be redeemed or purchased, that interest accrued to the date fixed for redemption or purchase will be paid as specified in said notice, and that on and after said date interest on Series 1984A Bonds which have been redeemed will cease to accrue. If less than all the Outstanding Series 1984A Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Series 1984A Bonds or portions thereof to be redeemed. Any redemption notice given in connection with a redemption pursuant to Section 401 hereof to Bondholders other than the Bank shall state, in addition to the other information required to be stated therein, that such redemption may be revoked if Eligible Funds are not available on the redemption date to pay the redemption price. Each notice of mandatory tender and purchase pursuant to Section 405 hereof shall state, in addition to any other information required to be stated therein, (i) that the rating assigned to the Series 1984A Bonds by Moody's Investors Service, Inc. will expire on the date the Letter of Credit is to be replaced with a substitute therefor, (ii) that any Bondholder may elect to retain his Series 1984A Bond (or any \$100,000 portion thereof) upon notifying the Trustee in writing of his election to retain his Series 1984A Bond (or any \$100,000 portion thereof) at least fifteen days prior to the date fixed for purchase and (iii) the principal terms of any substitute Letter of Credit, and shall include a copy of the Repayment Agreement to be executed in connection with any substitute Letter of Credit.

The Trustee shall cause written notice to be mailed to Bondholders at their addresses as the same shall last appear on the registration books of the extension of the Letter of Credit on substantially the same terms as originally issued and of the rating, if any, assigned to the Series 1984A Bonds by Moody's Investors Service, Inc. or any other rating agency upon such extension of the Letter of Credit.

Section 411. Series 1984A Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue; Substitute Series 1984A Bonds. On the redemption date specified in the notice of redemption funds (which prior to the Conversion Date must be Eligible Funds) sufficient to redeem all the Series 1984A Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be on deposit with the Trustee. On the redemption date the principal amount of each Series 1984A Bond to be redeemed, together with the accrued interest thereon to such date shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article IV, then, notwithstanding that any Series 1984A Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Series 1984A Bonds. From and after such date of redemption (such notice having been given and such deposit having been made) the Series 1984A

Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the County shall be under no further liability in respect thereof, except as provided in Section 1002 hereof.

Any Series 1984A Bond called for and subject to mandatory tender and purchase or with respect to which an Election Notice has been delivered pursuant to the provisions of this Article IV, if not delivered to the Registrar/Paying Agent on the date specified for purchase, shall be deemed to have been so delivered and shall be considered available for purchase. The Registrar/Paying Agent shall make appropriate notation on the registration books of any such Series 1984A Bond so deemed to have been delivered and purchased, shall authenticate a substitute Series 1984A Bond in lieu of any such Series 1984A Bond so deemed to have been delivered and shall give notice by mail to the registered owner of such Series 1984A Bond deemed to have been delivered that the Series 1984A Bond in the possession of such registered owner ceased to accrue interest on the date of such purchase and that the purchase price for such Series 1984A Bond so deemed to have been delivered shall be paid on presentation and surrender thereof at the principal corporate trust office of the Registrar/Paying Agent.

Section 412. Cancellation. All Series 1984A Bonds which have been redeemed shall be cancelled by the Registrar/Paying Agent and destroyed as provided in Section 310 hereof.

Section 413. Partial Redemption or Purchase of Series 1984A Bonds. Upon surrender of any Bond for redemption or purchase in part only, the County shall execute and the Registrar/Paying Agent shall authenticate and deliver to the holder thereof, the cost of which shall be paid by the County, a new Series 1984A Bond or Series 1984A Bonds of authorized denominations in an aggregate principal amount equal to the portion of the Series 1984A Bond not redeemed or purchased.

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ARTICLE V

USE OF BOND PROCEEDS

Section 501. Establishment of Bond Fund, Reserve Fund and Acquisition Fund. The County hereby establishes and creates the following funds, which shall be special trust funds held by the Trustee:

(a) A separate and special account to be known as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A Interest and Principal Retirement Fund" (the "Bond Fund").

(b) A separate and special account to be known as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A Reserve Fund" (the "Reserve Fund").

(c) A separate and special account to be known as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A Acquisition Fund" (the "Acquisition Fund").

Section 502. Disposition of Bond Proceeds. The proceeds of the Series 1984A 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 the Bond Fund all moneys received as capitalized interest on the Series 1984A Bonds, to apply to the payment of interest on Series 1984A Bonds for which such interest was capitalized as the same becomes due after their delivery.

B. Reserve Fund. Second, there shall be credited to the Reserve Fund an amount equal to \$1,440,000. Moneys deposited in the Reserve Fund shall be used solely for the purposes provided in Article VII hereof.

C. Acquisition Fund. Third, except as herein otherwise expressly provided, the proceeds derived from the sale of the Series 1984A Bonds remaining after the deposits required by subsections A and B of this section have been made, shall be credited to the Acquisition Fund.

Section 503. Moneys for Project; Custody of the Acquisition Fund. All moneys received and held by the County for the Project from all sources, including, without limitation, the

Series 1984A Bond proceeds deposited therein for that purpose shall be deposited in the Acquisition Fund and except as herein otherwise expressly provided, shall be used and paid out solely for the purpose of defraying the Cost of the Project. The Acquisition Fund shall be in the custody of the Trustee but in the name of the County and the County authorizes and directs the Trustee to withdraw sufficient funds from the Acquisition Fund to pay the Cost of the Project as herein provided, which authorization and direction the Trustee hereby accepts.

Section 504. Payments from the Acquisition Fund. The Trustee shall make payments from the Acquisition Fund, in the amounts, at the times, in the manner and on the other terms and conditions set forth in this Section. Before any such payment shall be made, an Authorized County Representative shall file with the Trustee the County's requisition therefor, stating in respect of each payment to be made:

- (1) The name of the firm, corporation or other Person to whom payment is due,
- (2) The amount to be paid,
- (3) In reasonable detail the purpose for which the obligation was incurred,
- (4) That each item thereof is a proper charge against the Acquisition Fund and is a proper Cost of the Project and has not been paid, and
- (5) That the requisition is being filed with the Trustee in compliance with applicable law.

Upon receipt of each requisition, the Trustee shall transfer from the Acquisition Fund to the County an amount equal to the total of the amounts to be paid as set forth in the requisition, the amounts so transferred so be used solely for the payment of the obligations set forth in the requisition. In making such transfer, the Trustee may rely upon the County's requisition and shall be under no duty to see to the application of the funds transferred.

The Trustee shall keep and maintain adequate records pertaining to the Acquisition Fund and all payments therefrom, which shall be open to inspection by the Governing Body and its duly authorized agents during normal business hours of the Trustee. After the Project has been completed and the certificate of the County filed as provided in Section 505 hereof, the Trustee shall file a statement of income and disbursements with respect to the Acquisition Fund with the County.

Section 505. Completion of Project. When the Project shall have been completed in accordance with the relevant plans and specifications, and all amounts due therefor, including all proper incidental expenses, shall have been paid, or full provision shall have been made therefor, an Authorized County Representative shall file with the Trustee a certificate so stating, and upon the receipt of such certificate the Trustee shall cause to be transferred to the Bond Fund all surplus moneys remaining in the Acquisition Fund, if any, except for any moneys designated in such certificate 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 next principal and interest due on the Series 1984A Bonds.

Section 506. Purchaser Not Responsible. The validity of the Series 1984A Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the acquisition of the Project. The Purchaser of the Series 1984A Bonds, any associate thereof, and any subsequent holder of any Series 1984A 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 Series 1984A Bonds or of any other moneys herein designated.

Section 507. Lien on Bond Proceeds. Until proceeds of the Series 1984A Bonds are applied as hereinabove provided the Series 1984A Bond proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the holders of the Series 1984A Bonds from time to time as provided in Section 701 hereof.

Section 508. Modifications in Project. The County reserves the right to make alterations, amendments, additions to and deletions from the Project before the withdrawal of all moneys accounted for in the Acquisition Fund in accordance with this article; but any such alterations, amendments, additions and deletions shall not adversely affect to any substantial degree the projections of Net Pledged Revenues.

ARTICLE VI
GENERAL TAXES

Section 601. General Tax Levies. Pursuant to § 350.596, Bond Act, the Bond Requirements of the Series 1984A Bonds falling due on and before the first day of April, 1985, shall be paid out of 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 creating funds for the payment thereafter of the Series 1984A Bonds and the interest thereon, there are hereby created separate and special accounts to be known respectively as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A General Tax Principal Fund" (the "General Tax Principal Fund") and as the "Washoe County, Nevada Quarterly Tender Bonds (Medical Center Project) Series 1984A General Tax Interest Fund" (the "General Tax Interest Fund"). Pursuant to §§ 350.592 and 350.594, Bond Act, there shall be levied in the calendar year 1984, and annually thereafter, until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the County, including the net proceeds of mines, fully sufficient to reimburse such funds for such installments of Bond Requirements, to pay the interest on the Series 1984A 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 Governing Body 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 Series 1984A Bonds, subject to the limitations imposed by NRS 361.453 and § 2, art. 10, Constitution of the State, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the County.

Section 602. 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 603. 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 Series 1984A Bonds shall be kept by the 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 Series 1984A Bonds, respectively, as the same fall due.

Section 604. Use of General Fund. Any sums becoming due on the Series 1984A 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 General Taxes herein provided for have been collected, pursuant to § 350.596, Bond Act.

Section 605. Use of Other Funds. Nothing herein prevents the County 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 Series 1984A Bonds as provided in Section 705 hereof and elsewhere herein, and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to § 350.598, Bond Act.

Section 606. Legislative Duties. In accordance with § 350.592, Bond Act, and NRS 361.453, it shall be the duty of the Governing Body annually, at the time and in the manner provided by law for levying other General Taxes of the County, if such action shall be necessary to effectuate the provisions of this ordinance, to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the Governing Body 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 Series 1984A Bonds and the interest thereon. Such General Taxes when collected shall be kept for and applied only to the payment of the principal of and the interest on the Series 1984A Bonds as hereinabove specified.

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Section 607. Appropriation of General Taxes. In accordance with § 350.602 Bond Act, there is hereby specially appropriated the proceeds of such General Taxes to the payment of such principal and interest; and neither such appropriations will be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and the interest on the Series 1984A Bonds have been wholly paid.

ARTICLE VII

PLEDGE; PAYMENTS INTO AND USE OF MONEYS IN
BOND FUND AND RESERVE FUND

Section 701. Pledge Securing Bonds. Subject only to the right of the County to cause amounts to be paid on account of Operation and Maintenance Expenses of the Facilities and to pay the Cost of the Project as provided herein, the Net Pledged Revenues and all moneys and securities paid to or held in any account under this article or under Section 501 hereof, are hereby pledged to secure the payment of the Bond Requirements of the Series 1984A Bonds; and this pledge shall be valid and binding from and after the date of the first delivery of any Series 1984A Bonds, and the moneys, as received by the County and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the County, except for any Outstanding Parity Bonds hereafter authorized; 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. So long as any Series 1984A Bonds are Outstanding, the Adjusted Gross Revenues shall be applied first to the payment of Operation and Maintenance Expenses and thereafter in the following order of priority, all as provided in Section 702 through 706 hereof.

Section 702. Bond Fund and Reserve Fund Payments. The County shall pay from Net Pledged Revenues until the principal of and interest on the Series 1984A Bonds shall have been paid or provision for the payment thereof shall have been made in accordance with Article X hereof:

A. Into the Reserve Fund on or before the 5th day preceding July 1, 1984 and each October 1, January 1, April 1 and July 1 thereafter so long as the Series 1984A Bonds are Outstanding, a sum equal to the lesser of (a) interest which will become due on the Series 1984A Bonds on the next succeeding interest payment date (other than interest on Series 1984A Bonds for which interest has been capitalized) or (b) an amount which when added to the amount which will be on deposit in the Reserve Fund after such interest payment date equals the Maximum Reserve. The County may in its discretion pay additional moneys into the Reserve Fund; provided, that after such payment the amounts on deposit in the Reserve Fund shall be equal to or less than the Maximum Reserve.

B. Prior to the Conversion Date, into the Bond Fund on or before the 124th day preceding April 1, 1986 and each April 1 thereafter so long as the Series 1984A Bonds are Outstanding, a sum which, together with other moneys available therefor in the Bond Fund on such 124th day, will equal the principal which will become due (determined as of such 124th day) on the Series 1984A Bonds on such April 1 (whether at maturity, upon a sinking fund redemption or otherwise). Following the Conversion Date, into the Bond Fund on or before the 5th day preceding each quarterly interest payment date so long as the Series 1984A Bonds are Outstanding, a sum which, together with other moneys available therefor in the Bond Fund on such 5th day, will equal the principal which will become due (determined as of the 45th day preceding each quarterly interest payment date and based on any increase in quarterly sinking fund payments required by Section 402 hereof) on the Series 1984A Bonds on such quarterly interest payment date (whether at maturity, upon a sinking fund redemption or otherwise). Additionally, with respect to redemption of Series 1984A Bonds pursuant to Section 401 hereof, the County shall pay into the Bond Fund on or before the 124th day preceding each such redemption date (unless such redemption date occurs after the Conversion Date, in which case on or before the 5th day preceding each such redemption date) a sum which, together with other moneys available therefor in the Bond Fund on such 124th day (or such 5th day if after the Conversion Date), is sufficient to pay the principal of the Series 1984A Bonds to be redeemed on such redemption date.

Prior to the Conversion Date, at the option of the County to be exercised by delivery of a written certificate to the Trustee not less than 124 days next preceding any sinking fund redemption date, it may (i) deliver to the Trustee for cancellation Series 1984A Bonds in an aggregate principal amount desired by the County or (ii) specify a principal amount of Series 1984A Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Trustee and not theretofore applied as a credit against any sinking fund redemption obligation for Series 1984A Bonds. Each Series 1984A Bond so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the County on such sinking fund redemption date for Series 1984A Bonds and any excess over such amount shall be credited against future sinking fund redemption obligations for Series 1984A Bonds in chronological order. In the event the County shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the Series 1984A Bonds to be cancelled.

The Trustee is hereby directed to establish and administer such accounts in the Bond Fund and the Reserve Fund as may be required to insure that each payment of moneys from the Bond Fund pursuant to Section 707 hereof and each transfer of moneys from the Reserve Fund pursuant to Section 708 hereof made with respect to Series 1984A Bonds held by Bondholders other than the Bank will be consistent with a first-in first-out accounting assumption.

The County's failure to make any of the payments required to be made under this Section 702 shall not result in an Event of Default hereunder unless such failure results in a corresponding failure to pay principal and interest on the Series 1984A Bonds with Eligible Funds, to the extent required.

Section 703. Termination of Deposits. No payment need be made into the Bond Fund, the Reserve Fund, or both, if the amount in the Bond Fund and the amount in the Reserve Fund total a sum at least equal to the entire amount of the Outstanding Series 1984A Bonds as to all Bond Requirements, to their respective maturities, and both accrued and not accrued, in which case moneys in those two accounts 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 two accounts after payment in full of all other amounts required to be paid hereunder shall be paid to the County; provided, however, that if any moneys are then due the Bank under the Repayment Agreement, such excess moneys, to the extent of such liability, shall be promptly paid by the Trustee to the Bank for the account of the County and shall be applied by the Bank in accordance with the provisions of the Repayment Agreement.

Section 704. Payment of Additional Bonds. Either concurrently with (in the case of Parity Bonds) or subsequent to (in the case of Subordinate Bonds) the payments required by Section 702 hereof, Net Pledged Revenues shall be used by the County for the payment of Bond Requirements of additional bonds or other additional securities payable from the Net Pledged Revenues and hereafter authorized to be issued in accordance with Article IX and any other provisions herein supplemental thereto, including reasonable reserves for such securities, as the same accrue.

Section 705. Increased Payments Following Conversion Date. On and after the Conversion Date all Net Pledged Revenues remaining after the payments required by Section 702 hereof and 704 hereof and after the payment of Bond Requirements with respect to bonds of the County designated as "Washoe County Nevada, General Obligation (Limited Tax) Medical Center Refunding Bonds, Series January 15, 1984" shall be paid into the Bond Fund to be used to redeem Series 1984A Bonds as required by Section 402 hereof.

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Section 706. Use of Remaining Revenues. A f t e r t h e payments hereinabove required to be made by Sections 702 through 705 hereof are made, any remaining Net Pledged Revenues may be used at any time during any Fiscal Year for any one or any combination of lawful purposes as the County may from time to time determine.

Section 707. Use of Moneys in the Bond Fund. The capitalized interest deposited in the Bond Fund pursuant to paragraph A of Section 502 hereof shall be used to pay interest on the Series 1984A Bonds for which such interest was capitalized. Except as provided in this Section and in Sections 703 and 805 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Series 1984A Bonds; and the County hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the Bond Requirements of the Series 1984A Bonds as the same become due and payable. Whenever the total amount in the Bond Fund and the Reserve Fund is sufficient to redeem all of the Series 1984A Bonds Outstanding and to pay interest to accrue thereon prior to such redemption, the County covenants to take and cause to be taken the necessary steps to redeem all of the Series 1984A Bonds on the redemption date for which the required redemption notice has been given. The Trustee shall use Eligible Funds to pay the principal of and interest on Series 1984A Bonds held by Bondholders other than the Bank before using any other moneys to make such payments and shall use moneys, if any, which do not constitute Eligible Funds before using any other moneys to pay the principal of and interest on Series 1984A Bonds, if any, held by the Bank. Series 1984A Bonds held by the Bank after purchase pursuant to the terms and conditions of the Repayment Agreement and the Letter of Credit shall not be secured by or entitled to any of the benefits of the Repayment Agreement or the Letter of Credit.

Section 708. Use of Moneys in the Reserve Fund. Moneys in the Reserve Fund shall be used, except as provided below and in Section 805 hereof, solely for the payment of the principal of and interest on the Series 1984A Bonds in the event available moneys in the Bond Fund are insufficient to make such payments when due, whether on an interest payment date, redemption date, sinking fund redemption date, maturity date or otherwise; and the County hereby authorizes and directs the Trustee to transfer sufficient funds from the Reserve Fund to the Bond Fund to pay such principal and interest which authorization and direction the Trustee hereby accepts. Anything in the preceding sentence to the contrary notwithstanding, moneys in the Reserve Fund may be transferred to the Bond Fund to be used to pay principal of the Series 1984A Bonds only if (i) such moneys constitute Eligible Funds (unless used to pay the principal of Series 1984A Bonds held by the Bank) and (ii) following transfer of such moneys to the Bond Fund, amounts held in the Reserve Fund total or exceed the Minimum Reserve. If amounts held in the Reserve Fund cannot be used to pay principal of the Series 1984A Bonds because of

the application of the preceding sentence, the Reserve Fund shall be deemed to hold less than the Minimum Reserve. In the event that amounts held in the Reserve Fund are less than or deemed to be less than the Minimum Reserve, the Trustee shall take such steps as are necessary to call the Series 1984A Bonds for mandatory tender for purchase pursuant to Section 403(b) hereof. On the final maturity date of the Series 1984A Bonds or the date on which the Series 1984A Bonds are redeemed in whole any moneys in the Reserve Fund (which constitute Eligible Funds, unless used to pay the principal of or interest on Series 1984A Bonds held by the Bank) may be used to pay the principal of and interest on such Series 1984A Bonds on such final maturity or redemption date. If at any time the amount on deposit in the Reserve Fund is in excess of the Maximum Reserve, the Trustee shall transfer such excess to the Bond Fund to pay principal or interest on the Series 1984A Bonds on the next succeeding interest payment date; provided that the moneys so transferred shall constitute Eligible Funds unless used to pay principal or interest on Series 1984A Bonds held by the Bank. Following any Conversion Date the County may elect to instruct the Trustee to transfer all moneys then on deposit in the Reserve Fund to the Bond Fund to be used to redeem Series 1984A Bonds pursuant to Section 401 hereof on the next succeeding interest payment date.

ARTICLE VIII

GENERAL ADMINISTRATION

Section 801. Administration of Accounts. The special accounts designated in arts. V and VII, hereof shall be administered as provided in this article.

Section 802. Places and Times of Deposits.

(a) Each of the Trustee Accounts shall be maintained as a bank account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor with the Trustee (except as otherwise expressly stated herein). Nothing herein prevents the commingling of moneys accounted for in any two or more Trustee Accounts in any bank account or any investment in Federal Securities hereunder.

(b) Each of the County Accounts 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 in one bank account or more in a Commercial Bank or Commercial Bank s as determined and designated by the Governing Body (except as otherwise expressly stated herein). Nothing herein prevents the commingling of moneys accounted for in any two or more County Accounts relating to the Facilities or any other County accounts in any bank account or any investment in Federal Securities hereunder.

(c) Each Trustee Account and each County 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 Trustee Account or the County Account, as appropriate, not later than the date therefor herein designated, except that when any such date shall not be a Business Day then the payment shall be made on or before the next preceding Business Day.

Section 803. Investment of Moneys. Any moneys in any account designated in arts. V and VII hereof, and not needed for immediate use, may be invested or reinvested by the Trustee (on written instructions signed by the County Treasurer) or the County Treasurer, as appropriate:

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A. Bank Deposits. By deposit in one or more Commercial Banks as provided in Sections 802 and 807 hereof, except that any such deposit attributable to the Bond Fund or the Reserve Fund must be with a Commercial Bank having a Moody's Investors Service Inc. Aa (or higher) rating on their senior unsecured debt, and

B. Federal Securities. In Federal Securities which:

1. Optional Redemption. Either shall be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or

2. Scheduled Maturities. Shall mature not later than on the date or respective dates on which the proceeds are to be expended as estimated by the County Treasurer, or as estimated by the Trustee with respect to the Bond Fund and the Reserve Fund, upon each date of such investment or reinvestment.

For the purpose of any such investment or reinvestment, Federal Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 804. Required and Permissive Investments. The Trustee and the County Treasurer shall have no 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 15 days. In that event the County Treasurer and the Trustee shall invest or reinvest in Federal Securities to the extent practicable not less than substantially all the amount which will not be needed during such period, except for any moneys on deposit in an interest-bearing account in any Commercial Bank, regardless of whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to Section 807 hereof. The County Treasurer and the Trustee may invest or reinvest any moneys on hand at any time as provided in Section 803 hereof even though not obligated to do so.

Section 805. Accounting for Investments. The Federal Securities 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. Any interest or other gain in any Trustee Account resulting from any such investments and reinvestments in Federal Securities and from any deposits of moneys in any Commercial Bank pursuant to this article (a) if realized prior to the completion of the Project and delivery of the certificate required by Section 505 hereof, shall be retained in or transferred to, as the case may be, the Acquisition Fund and (b) if realized thereafter,

shall be credited to and retained in the respective Trustee Account from which the investment was made. Any loss in any account resulting from any such investments and reinvestments in Federal Securities and from any such deposits in any Commercial Bank shall be charged or debited to that Fund. No loss of profit in any account on any investments or reinvestments in Federal Securities 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 on any date for any purpose hereunder Federal Securities and certificates of deposit, if due within one year after such date, shall be valued at the face value plus accrued interest, or, if not due within one year after such date, shall be valued at market value. 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.

Section 806. Redemption or Sale of Investment Securities. The Trustee, with the approval of the County Treasurer, or the County Treasurer, as the case may be, shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any Federal Securities 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. Neither the County Treasurer nor the Trustee shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Ordinance.

Section 807. Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States of America or Federal Securities, or both. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of any Commercial Bank pursuant to Section 803 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States of America.

ARTICLE IX

ADDITIONAL SECURITIES; SUBSTITUTE LETTER OF
CREDIT

Section 901. Issuance of Parity Bonds. Nothing herein, subject to the limitations stated in Section 908 hereof, prevents the issuance by the County of additional Parity Bonds, nor prevents the issuance of bonds or other securities refunding all or a part of the Series 1984A Bonds, except as provided in Sections 904 through 908 hereof; but before any such additional Parity Bonds are authorized or actually issued (excluding any refunding Parity Bonds other than any securities refunding Subordinate Bonds, as permitted in Section 907(C) hereof):

A. Absence of Default. At the time of the adoption of the ordinance authorizing the issuance of the additional Parity Bonds as provided in Section 908 hereof, the County shall not be in default in making any payments required by Section 702 hereof or be in default under the Repayment Agreement.

B. Projected Earnings Test. The estimated Net Pledged Revenues for the first Fiscal Year immediately succeeding the estimated date of the placing in operation of the project effected in whole or in part with the proceeds of the Parity Bonds to be issued shall be at least in an amount equal to 110% of the Maximum Annual Principal and Interest Requirements (to be paid during any one Fiscal Year commencing with the Fiscal Year in which the additional Parity Bonds are issued) of the Outstanding Series 1984A Bonds and any other Outstanding Parity Bonds and the bonds or other securities proposed to be issued.

C. Consent of Bank. So long as any Series 1984A Bonds are Outstanding (a) if such additional Parity Bonds issued from time to time are issued in an aggregate amount in excess of \$5,000,000 or (b) if such additional Parity Bonds are issued after the Conversion Date, the County shall have received the consent to such issuance from the Bank.

Section 902. Certification of Revenues. A written certification or written opinion by an Independent Accountant or by a Health Care Consultant that the Net Pledged Revenues are sufficient to pay such amounts as provided in Section 901(B) hereof, shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver additional Parity Bonds.

Section 903. Subordinate Securities Permitted; Superior Securities Prohibited. Nothing herein, subject to the limitations

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stated in this Section and in Section 908 hereof, prevents the County from issuing Subordinate Bonds or permits the County to issue additional bonds or other additional securities payable from the Net Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Series 1984A Bonds. So long as any Series 1984A Bonds are Outstanding, prior to the issuance of any Subordinate Bonds the County shall have obtained the written consent to such issuance from the Bank.

Section 904. Issuance of Refunding Securities. At any time after the Series 1984A Bonds, or any part thereof, are issued and remain Outstanding, if the Governing Body shall find it desirable to refund any Outstanding Series 1984A Bonds or other Outstanding securities payable from and constituting a lien upon any Net Pledged Revenues, such Series 1984A Bonds or other securities, or any part thereof, may be refunded only if the Series 1984A 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 holder or holders of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Net Pledged Revenues is changed (except as provided in Sections 905 through 908 hereof).

Section 905. Partial Refundings. The refunding bonds or other refunding securities so issued, unless issued as Subordinate Bonds, 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 holder or holders of the refunding securities shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of the unrefunded securities of the same issue partially refunded by the refunding bonds or other refunding securities.

Section 906. Limitations Upon Refundings. Any refunding bonds or other refunding securities payable from Net Pledged Revenues shall be issued with such details as the Governing Body may by ordinance provide, subject to the provisions of Section 908 hereof, and subject to the inclusion of any such rights and privileges designated in Section 905 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 Series 1984A Bonds).

Section 907. Protection of Securities Not Refunded. If only a part of the Outstanding Series 1984A Bonds and other Outstanding securities of any issue or issues payable from the Net Pledged Revenues is refunded, then such securities may not be

refunded without the consent of the holder or holders of the unrefunded portion of such securities:

A. Requirements Not Increased. Unless the refunding bonds or other refunding securities do not increase for any Fiscal Year the Annual Principal and Interest Requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last redemption date, if any, whichever is later, if any, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of the Series 1984A Bonds or other securities thereby refunded; or

B. Subordinate Lien. Unless the lien on any Net Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

C. Default and Earnings Test. Unless the refunding bonds or other refunding securities are issued in compliance with Sections 901 and 902 hereof.

Section 908. Supplemental Ordinance. Parity Bonds or Subordinate Bonds shall be issued only after authorization thereof by ordinance of the Governing Body stating the purpose or purposes of the issuance of such Parity Bonds or Subordinate Bonds directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, principal amount, maturity or maturities, designation and numbers thereof, the maximum rate or rates of interest to be borne thereby, any prior redemption privileges of the County with respect thereto and other provisions thereof not in conflict with this Ordinance. All additional Parity Bonds or Subordinate Bonds shall bear such date, shall bear such numbers and series designation, letters or symbols prefixed to their numbers distinguishing them from each other security, shall be payable at such place or places, may be subject to redemption prior to maturity on such terms and conditions, and shall bear interest at such rate or at such different and varying rates per annum, as may be fixed by ordinance or other document of the Governing Body.

Section 909. Substitute Letter of Credit. Subject to the notice requirement set forth in the following paragraph, the County may, at any time prior to the expiration date of the Letter of Credit (as originally issued, or as the same may be extended on substantially the same terms), arrange to substitute for such Letter of Credit a new letter of credit; provided, however, that (a) any such new letter of credit shall (i) be reviewed and approved by the Trustee, (ii) commence on an interest payment date not later than the

date of expiration of the Letter of Credit to be replaced, and (iii) support the payment of the purchase price of the Series 1984A Bonds then Outstanding in the same manner as the Letter of Credit to be replaced and (b) the County shall have filed with the Trustee an opinion of nationally recognized bond counsel acceptable to the Trustee to the effect that upon substitution of the new letter of credit for the Letter of Credit (i) interest on the Series 1984A Bonds is exempt from Federal income taxation under statutes, regulations, rulings and court decisions existing on the date of such opinion and (ii) the Series 1984A Bonds are valid and legally binding obligations of the County under and in accordance with this Ordinance on the date of such opinion.

The County agrees to provide the Trustee with the information required by Section 410 of this Ordinance to be included in a notice of redemption pursuant to Section 405 of this Ordinance and the opinion referred to in clause (b) of the preceding paragraph at least 35 days prior to the effective date of any new Letter of Credit arranged for pursuant to this Section.

ARTICLE X

DEFEASANCE

Section 1001. Defeasance. If, when the Series 1984A Bonds secured hereby shall be paid in accordance with their terms (or payment of the Series 1984A Bonds has been provided for in the manner set forth in the following paragraph), together with all other sums payable hereunder, then the pledge and lien and all obligations hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the request of the County, the Trustee shall assign and transfer to the County all property then held by the Trustee hereunder and, subject to the provisions of Section 703 hereof, shall turn over to the County any surplus in any Trustee Account.

Payment of any outstanding Series 1984A Bond or other security shall prior to the maturity or redemption date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (i) in case said Series 1984A Bond is to be redeemed on any date prior to its maturity, the County shall have given to the Trustee in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 410 hereof notice of redemption of such Series 1984A Bond on said redemption date, such notice to be given in accordance with the provisions of Section 410 hereof, (ii) there shall have been deposited with the Trustee at least 124 days prior to the redemption or maturity date of such Series 1984A Bond either moneys in an amount which shall be sufficient, or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time and available therefor, shall be sufficient to pay when due the principal of and interest due and to become due on said Series 1984A Bond on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Series 1984A Bond is not to be redeemed within the next 124 days, the County shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 410 hereof, a notice to the holder of such Series 1984A Bond that the deposit required by (ii) above has been made with the Trustee and that payment of said Series 1984A Bond has been provided for in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and interest on said Series 1984A Bond. Neither such securities nor moneys deposited with the Trustee pursuant to this Section or principal or interest payments on any such securities shall be

withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 1984A Bonds; provided any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in clause (ii) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on the Series 1984A Bonds on or prior to such redemption date or maturity date thereof, as the case may be. In no event shall payment of a Series 1984A Bond be deemed to have been provided for in accordance with this Section unless 124 days shall have passed after the deposit of cash or such securities and no petition in bankruptcy is filed by or against, or is otherwise pending with respect to, the County during such 124-day period unless the deposit of cash is made from or such securities are purchased with Eligible Funds within the meaning of clause (ii) of the definition thereof in Article I hereof, in which case payment of the Series 1984A Bond shall be deemed to have been provided for pursuant to this Section on the date of the deposit of such cash or securities and, anything in clause (ii) of this paragraph to the contrary notwithstanding, such deposit with the Trustee may be made at any time prior to the redemption or maturity date of such Series 1984A Bond. At such time as payment of a Series 1984A Bond has been provided for as aforesaid, such Series 1984A Bond shall no longer be secured by or entitled to the benefits of this Ordinance, except for the purpose of any payment from such moneys or securities deposited with the Trustee.

The foregoing provisions of this Article are subject, however, to the condition that the right of the holder of each Series 1984A Bond to tender such Series 1984A Bond for purchase as provided for in Section 408 hereof shall remain in full force and effect with respect to each Series 1984A Bond until its retirement or maturity. In addition, the foregoing provisions of this Article are subject to the condition that the obligations referred to in clause (ii) of the preceding paragraph must mature on or prior to the first day on which Bondholders have the option to tender their Series 1984A Bonds pursuant to Section 408 hereof which occurs after the 124-day period referred to in the second sentence of the preceding paragraph; and further, any reinvestments thereafter must be in obligations described in clause (ii) of the preceding paragraph which mature on or prior to each succeeding date thereafter on which Bondholders have the right to tender Series 1984A Bonds pursuant to Section 408 hereof. In determining whether defeasance has occurred pursuant to this Article X, the amount required to be on deposit pursuant to clause (ii) of the preceding paragraph to pay principal and interest coming due on Series 1984A Bonds shall not be reduced by any amounts received as interest from the reinvestment of the amounts so deposited.

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The release of the obligations of the County under this Section shall be without prejudice to the right of the Trustee to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

Section 1002. Liability of County Not Discharged.
Subject to the provisions of Section 1502 hereof, upon compliance with the provisions of Section 1001 hereof with respect to all Series 1984A Bonds then outstanding, this Ordinance may be discharged in accordance with the provisions of this Article X but the liability of the County in respect of such Series 1984A Bonds shall continue provided that the holders thereof shall thereafter be entitled to payment only out of the moneys or securities deposited with the Trustee as provided in Section 1001 hereof.

ARTICLE XI

MISCELLANEOUS PROTECTIVE COVENANTS

Section 1101. General. The County hereby particularly covenants and agrees with the holders of the Series 1984A Bonds and with the Bank and makes provisions which shall be a part of its contract with such holders and with the Bank to the effect and with the purposes set forth in the following provisions and sections of this article.

Section 1102. Performance of Duties. The County shall faithfully and punctually perform or cause to be performed all duties with respect to the Adjusted Gross 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 Net Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 1103. Contractual Obligations. The County shall perform all contractual obligations undertaken by it under the Purchase Contract, the Repayment Agreement, the Remarketing Agreement and any other agreements relating to the Series 1984A Bonds, the Adjusted Gross Revenues, the Project, the Facilities, or any combination thereof, with all Persons.

Section 1104. Further Assurances. At any and all times the County, 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 conforming all and singular the rights, the Net Pledged Revenues, and other moneys and accounts hereby pledged or assigned, or which the County may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Ordinance and to comply with the Project Act, the Bond Act and all laws supplemental thereto. The County shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every holder of any Series 1984A Bond against all claims and demands of all Persons whomsoever.

Section 1105. Conditions Precedent. Upon the date of issuance of any Series 1984A Bonds, all conditions, acts and things required by the Constitution or statutes of the State, including without limitation, the Project Act and the Bonds Act, or this

Ordinance, to exist, to have happened, and to have been performed precedent to or in the issuance of the Series 1984A Bonds shall exist, have happened, and have been performed; and the Series 1984A 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 1106. Efficient Operation and Maintenance. The County shall at all times cause the Facilities to be properly operated 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 1107. Rules, Regulations and Other Details. The County 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 Governing Body. The County shall observe and perform all of the terms and conditions contained in this Ordinance and 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 1108. Payment of Governmental Charges. The County 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 Adjusted Gross 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 shall not create or suffer to be created any lien or charge upon the Facilities, or any part thereof, or upon the Net Pledged Revenues, except the pledge and lien created by this Ordinance for the payment of the Bond Requirements due in connection with the Series 1984A Bonds, and except as herein otherwise permitted. The County shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days

after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Facilities, or any part thereof, or the Net 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 1109. Protective Security. The County, the officers, agents and employees of the County, and the Governing Body 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 Series 1984A Bonds and any other securities payable from the Net Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any holder of any Series 1984A Bond or other security payable from the Net Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 1110. Prompt Payment of Bonds. The County shall promptly pay or cause to be paid the Bond Requirements of every Series 1984A Bond issued hereunder and secured hereby at the places, on the dates, and in the manner specified herein and in the Series 1984A Bonds according to the true intent and meaning hereof.

Section 1111. No Default Certificate; Notice of Bankruptcy. Within 120 days after the end of each Fiscal Year, an Authorized County Representative shall furnish to the Trustee a certificate stating that no Event of Default under Section 1203 hereof has occurred and is continuing and that he has no knowledge of an event which with the passage of time or the giving of notice, or both, would constitute an Event of Default under Section 1203 hereof, or describing any such Event of Default or event known to him. The County further covenants and agrees to immediately notify the Trustee of any petition in bankruptcy filed by or against or otherwise pending with respect to the County. Failure to deliver the certificate required by the first sentence of this Section shall not constitute an Event of Default hereunder if the County promptly furnishes such certificate upon request of the Trustee.

Section 1112. Preservation of Tax-Exempt Status of Bonds. The County agrees that it will not use, or permit to be used, any of the Facilities in such manner or to such extent as would result in the loss of tax exemption of interest on the Series 1984A Bonds.

Section 1113. 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 Net Pledged Revenues derived or to be derived.

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Section 1114. Corporate Existence. The County shall maintain its corporate identity and existence so long as any of the Series 1984A 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 and is obligated by law to operate and maintain the Facilities and to fix and collect the Adjusted Gross Revenues as herein provided without adversely affecting to any substantial degree at any time the privileges and rights of any holder of any Outstanding Series 1984A Bond.

Section 1115. Competent Management. The County 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 Governing Body.

Section 1116. Rates and Charges. The County covenants and agrees to cause the Facilities to be operated as a revenue producing health facility on a nondiscriminatory basis and, in each Fiscal Year to charge such fees and rates for such Facilities and services and to exercise such skill and diligence as to provide Net Pledged Revenues equal to at least 100% of the Annual Principal and Interest Requirements payable in such Fiscal Year.

Section 1117. Budgets. The Governing Body 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 1118. Insurance and Reconstruction. The County 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 Adjusted Gross Revenues and against public and other liability to the extent reasonably necessary to protect the interests of the County and of each holder of a Series 1984A Bond or any other security payable from the Net Pledged Revenues.

Section 1119. General Tax Levies. The Governing Body 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 Outstanding Series 1984A 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 Series 1984A 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 General Taxes; and the Governing Body shall require the officers of

the 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 Series 1984A Bonds, other indebtedness, or general obligations. General Taxes for the Series 1984A Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Series 1984A Bonds, as herein provided.

Section 1120. Arbitrage Bond Investments Prohibited.

The County hereby further covenants for the benefit of each holder of the Series 1984A Bonds from time to time, that the County will make no use of the proceeds of the Series 1984A Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Series 1984A Bonds which will cause the Series 1984A Bonds to be arbitrage bonds under Section 103(c) of the Tax Code, and the applicable regulations thereunder, or which would result in the loss of exemption from federal income taxation of interest on the Series 1984A Bonds or any other bonds or other obligations of the County.

Section 1121. Best Efforts to Refund Series 1984A Bonds.

The County shall within 60 days of the first to occur of (a) the Conversion Date or (b) May 1, 1987 use its best efforts to issue and sell, or cause to be sold on its behalf or for its benefit, refunding bonds in an amount sufficient, together with other funds available therefor, to pay (or provide for payment of), on the quarterly interest payment date next succeeding the date of delivery of such refunding bonds, the Outstanding principal amount of the Series 1984A Bonds. Anything in Article XII hereof to the contrary notwithstanding, failure to comply with the covenant contained in this Section shall constitute an immediate Event of Default under this Ordinance and the Trustee, at the direction of the Bank, shall cause notice thereof to be given to Standard and Poor's Corporation and Moody's Investors Service Inc. and to be published one time in the Bond Buyer. The Trustee, at the direction of the Bank, may extend the date upon which the County must commence using its best efforts to issue refunding bonds as required by this Section or may waive any Event of Default which is based on the County's failure to comply with the covenant contained in this Section.

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Section 1122. Duties in Bankruptcy Proceedings. If a lessee or other user of the Facilities or any Person paying Adjusted Gross Revenues 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 its appropriate officers are hereby authorized and directed, to take all necessary steps for the benefit of the holders of the Series 1984A Bonds in such proceedings, including the filing of any claims for unpaid rentals, fees, rates, other charges, 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 Adjusted Gross Revenues.

Section 1123. Transfer of the Facilities to and Assumption of Obligations by another Person. Notwithstanding any other provisions of this Ordinance, the County may, without the consent of any Bondholder, transfer (by lease, sale or other transaction) the Facilities to another Person and such Person may assume all obligations of the County hereunder (other than the obligations of the County pursuant to Section 119 and Article VI hereof) upon receipt by the Trustee of the following:

A. An Opinion of Counsel satisfactory to the Trustee to the effect that there has been a valid, binding and enforceable assumption by such Person of all covenants and obligations of the County hereunder (other than the County's obligations under Section 1119 and Article VI hereof) and that the pledge securing the Series 1984A Bonds (as described in Section 701 hereof) will not be adversely affected by such transaction.

B. An opinion of nationally recognized bond counsel acceptable to the Trustee to the effect that (i) the County has validly authorized such transfer of the Facilities under state law, (ii) after such transfer the interest on the Series 1984A Bonds will be exempt from federal income taxation and (iii) the County's obligations under Section 1119 and Article VI hereof will continue to be valid and legally binding obligations of the County.

C. Written consent to such transfer by the Bank.

Upon receipt of the foregoing items, the Trustee may consent to any amendments of this Ordinance it deems necessary to carry out the intent of this Section. Such amendments shall not require consent of any Bondholders. In addition, at the request of the Bank the Trustee may require the execution of any additional documents by such Person as it deems necessary to evidence such Person's assumption of the obligations of the County under this Ordinance, the Repayment Agreement, the Remarketing Agreement and the Agency Agreement. Notice of any such proposed transfer shall be given by the Trustee at least 10 days prior thereto to Moody's Investors Service, Inc.

ARTICLE XII

PRIVILEGES, RIGHTS AND REMEDIES

Section 1201. Bondholder's Remedies. Each holder of any Series 1984A Bond issued hereunder and the Trustee, acting for each such holder, shall be entitled to all of the privileges, rights and remedies provided or permitted in 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 208, 209 and 302 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Net Pledged Revenues and the proceeds of the Series 1984A Bonds.

Section 1202. Right to Enforce Payment. Nothing in this article affects or impairs the right of any holder of any Series 1984A Bond to enforce the payment of the Bond Requirements due in connection with his Series 1984A Bond or the obligation of the County to pay the Bond Requirements of each Series 1984A Bond to the holder thereof at the time and the place expressed in the Series 1984A Bond.

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

A. Nonpayment of Principal. Payment of the principal of any of the Series 1984A Bonds, is not made when the same becomes due and payable, at maturity, on a sinking fund payment date or upon proceedings for redemption;

B. Nonpayment of Interest. Payment of any installment of interest on the Series 1984A Bonds is not made when the same becomes due and payable;

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

D. Nonperformance of Duties. The County 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 Adjusted Gross Revenues or to the Facilities, or otherwise, including, without limitation, this Ordinance, and such failure continues for 60 days after receipt of notice from the Trustee, the Bank or the holders of at least 25% in aggregate principal amount of the Series 1984A Bonds then Outstanding;

E. 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 Adjusted Gross Revenues and any other moneys subject to the lien to secure the payment of the Series 1984A 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

F. Default of Any Provision. The County makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Series 1984A Bonds or in this Ordinance 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 by the Trustee, the Bank or the holders of at least 25% in aggregate principal amount of the Series 1984A Bonds then Outstanding.

G. Default under Repayment Agreement. The receipt of notice from the Bank of the occurrence of an "event of default" under the Repayment Agreement.

Section 1204. Remedies for Default. Upon the happening and continuance of any of the Events of Default, as provided in Section 1203 hereof, then and in every case the Trustee may, and if requested by the holder or holders of not less than a majority in aggregate principal amount of the Series 1984A Bonds then Outstanding and the Trustee is indemnified as provided in Section 1303(m) hereof, the Trustee shall proceed against the County and its agents, officers and employees to protect and to enforce the rights of any holder of Series 1984A Bonds under this Ordinance 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 Trustee, being advised by counsel shall 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 holder of any Series 1984A Bond, or to require the County to act as if it were the trustee of any 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 holders of the Series 1984A Bonds and any Parity Bonds then Outstanding.

Section 1205. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of holders hereunder, the consent to any such appointment being hereby expressly granted by the County, may enter and may take possession of

the 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 Adjusted Gross 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 the Trustee or of any holder of any Outstanding Series 1984A Bond to proceed in any manner herein provided shall not relieve the County, 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 the Trustee or of any holder is in addition and is cumulative to any other right or privilege, and the exercise of any such right or privilege 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, in addition, shall do and perform all proper acts on behalf of and for the holders of Series 1984A Bonds to protect and to preserve the security created for the payment of their Series 1984A 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 Series 1984A Bond issued hereunder, as to any Bond Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Net Pledged Revenues shall be paid into the Bond Fund, or, in the event of Parity Bonds heretofore and hereafter issued and Outstanding during that period of time, shall be paid into the bond accounts for all Parity Bonds on an equitable and prorated basis, and used for the purposes therein provided. If the County fails or refuses to proceed as in this Section provided, the Trustee may proceed to protect and to enforce the rights of the holders of the Series 1984A Bonds as hereinabove provided; and to that end the Trustee, for the benefit of any such holders of Outstanding Series 1984A Bonds shall be subrogated to all rights of the County under any user agreement, lease or other contract involving the Facilities or the Adjusted Gross Revenues entered into before the effective date of this Ordinance or thereafter while any of the Series 1984A Bonds are Outstanding.

ARTICLE XIII

CONCERNING THE TRUSTEE AND THE REGISTRAR/
PAYING AGENT

Section 1301. Appointment of Trustee. Valley Bank of Nevada, a commercial bank and trust company doing business and having its principal office in Reno, Nevada is hereby appointed and confirmed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing (by manual or by facsimile signature) the certificate of authentication endorsed upon the Series 1984A Bonds; and by executing such certificate upon any Series 1984A Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Series 1984A Bonds so authenticated but also with respect to all the Series 1984A Bonds thereafter to be issued hereunder, but only, however, upon the terms and conditions set forth in this Ordinance.

Section 1302. Property Held in Trust. All moneys and securities held by the Trustee at any time pursuant to the terms of this Ordinance and the interests of the Trustee under the Repayment Agreement and the Letter of Credit shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Ordinance.

Section 1303. Duties of the Trustee. The Trustee undertakes to perform such duties as are specifically set forth in this Ordinance, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Ordinance against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Ordinance. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Ordinance, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts hereof or powers hereunder and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon an Opinion of Counsel concerning all

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matters of the trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Series 1984A Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Series 1984A Bonds), or for insuring the Facilities or collecting any insurance moneys or for the validity of the execution by the County of this Ordinance or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Series 1984A Bonds issued hereunder or intended to be secured hereby, or for the value of or title to the Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the County, except as hereinafter set forth; but the Trustee may require of the County full information and advice as to the performance of the covenants, conditions and agreements as to the condition of the Facilities contained herein. The Trustee shall have no obligation to perform any of the duties of the County hereunder; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 803 hereof.

(d) The Trustee shall not be accountable for the use of any Series 1984A Bonds authenticated or delivered hereunder. The Trustee may become the owner of the Series 1984A Bonds with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Ordinance upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Series 1984A Bonds shall be conclusive and binding upon all future owners of the same Series 1984A Bond and upon Series 1984A Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the County by an authorized officer of the County or such other person as may be designated for such purpose by the County as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive rights of the Trustee to do things enumerated in this Ordinance shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default, subject to Section 1303(a) hereof.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the County to cause to be made any of the payments to the Trustee required to be made by Article VII hereof unless the Trustee shall be specifically notified in writing of such default by the County or by the holders of at least a majority in aggregate principal amount of Series 1984A Bonds then Outstanding and all notices or other instruments required by this Ordinance to be delivered to the Trustee, must, in order to be effective, be delivered at the principal office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume that there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Ordinance or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect the Facilities, including all books, papers and records of the

County pertaining to the Facilities and the Series 1984A Bonds.

(k) The Trustee shall not be required to give any note or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Ordinance contained, the Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Series 1984A Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Ordinance, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the County to the authentication of any Series 1984A Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

(m) The Trustee, in the case of any Event of Default hereunder, shall not be under any obligation to take any action toward the execution or enforcement of the trusts created by this Ordinance which, in the opinion of the Trustee, will likely involve it in expense or liability, unless one or more of the holders of Series 1984A Bonds or any other bonds or other securities payable from Net Pledged Revenues 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 1304. Compensation of Trustee. The County 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 County 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). The County also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of

liability in the premises. The obligations of the County to the Trustee under this Section shall constitute additional obligations secured by the lien of this Ordinance, and shall be defrayed as Operation and Maintenance Expenses.

Anything in this Ordinance to the contrary notwithstanding, the Trustee hereby waives all rights of set-off or banker's lien or rights otherwise arising which it may have under applicable law against sums deposited in the Bond Fund or the Reserve Fund or against sums received pursuant to a purchase of Series 1984A Bonds pursuant to the Repayment, the Remarketing Agreement or a draw upon the Letter of Credit, such sums to be used solely for the payment of the principal of and interest on, and the purchase price of, as appropriate, the Series 1984A Bonds.

Section 1305. Resignation or Replacement of Trustee.

The present or any future Trustee may resign by giving to the County, the Bank, the Remarketing Agent, the initial purchasers of the Series 1984A Bonds and to the Bondholders 90 days' notice of such resignation, specifying the date when such resignation shall take effect. Such resignation shall take effect when a successor shall have been duly appointed and such successor shall have delivered to the County an instrument accepting such appointment and shall have received a Letter of Credit from the Bank, all as hereinafter provided. The present or any future Trustee may be removed at any time by an instrument in writing, executed by the holders of a majority in aggregate principal amount of the Series 1984A Bonds then outstanding delivered to the Trustee, the Bank and the Remarketing Agent but such removal shall not become effective until the conditions referred to in the preceding sentence shall have been satisfied.

In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the holders of a majority in aggregate principal amount of the Series 1984A Bonds outstanding by an instrument or concurrent instruments signed by such Bondholders, or their attorneys-in-fact duly appointed; provided that the County may appoint a successor until a new successor shall be appointed by the Bondholders as herein authorized. The County upon making such appointment shall forthwith give notice thereof to the Bondholders, the Bank and the Remarketing Agent, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the County shall immediately and without further act be superseded by a successor appointed in the manner above provided by the holders of a majority in aggregate principal amount of the Series 1984A Bonds outstanding.

Every successor shall always be a Commercial Bank with trust powers in good standing qualified to act hereunder, and shall have a shareholder's equity of not less than Ten Million Dollars.

Any successor appointed hereunder shall execute, acknowledge and deliver to the County an instrument accepting such appointment hereunder, and shall receive a Letter of Credit issued by the Bank in accordance with the provisions of the Repayment Agreement in substitution for the Letter of Credit held by its predecessor hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, except the rights of the predecessor under the Letter of Credit, who shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Ordinance except the Letter of Credit held by it. Should any instrument in writing from the County be reasonably required by any successor for such vesting and confirming, the County shall execute, acknowledge and deliver the said deeds, conveyances and instruments on the request of such successor.

The notices herein provided for to be given to the Bondholders shall be given by mailing a copy of any notices to the Bondholders at their addresses as the same shall last appear upon the registration books. The notice herein provided for to be given to the County and the retiring Trustee shall be given in accordance with Section 1508 hereof.

Section 1306. Conversion, Consolidation, or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted, merged, or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole shall be the successor of the Trustee under this Ordinance with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Series 1984A Bonds to be issued hereunder shall have been authenticated, but not delivered, any successor Trustee may adopt the certificate of any predecessor Trustee, and deliver the same as authenticated; and, in case any of such Series 1984A Bonds shall not have been authenticated, any successor Trustee may authenticate such Series 1984A Bonds in the name of such successor Trustee.

Section 1307. Obligations Under Letter of Credit. The Trustee agrees to perform all of the terms and conditions of the Letter of Credit and will timely perform all obligations imposed on it under the Letter of Credit. Without limiting the generality of the foregoing, when required by the provisions of Article IV hereof

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the Registrar/Paying Agent, on behalf of the Trustee pursuant to the Agency Agreement, shall submit in a timely fashion (to insure that sufficient funds which are Eligible Funds will be available to make any required payments) a sight draft accompanied by the signed written certificate of the Registrar/Paying Agent and any other documentation required by the Letter of Credit. All funds received pursuant to the Letter of Credit shall be applied as provided in Article IV hereof.

Pursuant to Section 702 hereof, the County is obligated to make payments to the Trustee within specified time periods prior to the principal or interest payment dates on the Series 1984A Bonds in immediately available funds. In the event the Trustee does not receive any such payment in such funds on or before the applicable date, it shall immediately notify the County and the Bank of such event by Electronic Notice, promptly confirmed in writing, which notice shall include a statement of the amount of Eligible Funds and the amount of other monies which do not constitute Eligible Funds then on deposit in the Reserve Fund and the Bond Fund.

The Trustee shall release and return the Letter of Credit to the Bank upon the termination thereof in accordance with its provisions.

Section 1308. Successor Remarketing Agent. Upon receipt of written notice of the appointment of a successor Remarketing Agent pursuant to the Remarketing Agreement, the Trustee shall cause notice of the appointment of such successor Remarketing Agent to be given to the Bondholders in the same manner required in connection with a successor Trustee under Section 1305 hereof.

Section 1309. Execution of Agency Agreement. The Trustee is hereby directed to execute the Agency Agreement pursuant to which Chemical Bank, New York, New York is appointed Registrar/Paying Agent for the Series 1984A Bonds in accordance with this Ordinance. The Trustee shall cause written notice to be mailed to Bondholders at their addresses as the same shall last appear on the registration books of the name and address of any successor Registrar/Paying Agent appointed pursuant to the terms of the Agency Agreement.

The Registrar/Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder and under the Agency Agreement as are specified in Section 1303 hereof with respect to the Trustee insofar as such provisions may be applicable.

ARTICLE XIV

AMENDMENTS

Section 1401. Supplemental Ordinances Not Requiring Consent of Bondholders. Anything herein to the contrary notwithstanding, this Ordinance or any ordinance amendatory hereof or supplemental hereto may be modified or amended by ordinance of the County, without the consent of, or notice to, the Bondholders for any one or more or all of the following purposes:

(a) To add to the covenants and agreements in this Ordinance contained other covenants and agreements thereafter to be observed for the protection or benefit of the Bondholders;

(b) To cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in this Ordinance, or to make any provisions with respect to matters arising under this Ordinance or for any other purpose if such provisions are necessary or desirable and do not in the judgment of the Trustee adversely affect the interests of the holders of the Series 1984A Bonds;

(c) To subject to this Ordinance additional revenues, properties or collateral;

(d) To permit the Trustee to enter into agreements with depositories or other institutions in order that such institutions may perform the duties of paying agent and/or transfer agent for the Series 1984A Bonds;

(e) To modify, eliminate or add to the provisions of this Ordinance to such extent as shall be necessary to effect the qualification of this Ordinance under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereof in effect, or to permit the qualification of the Series 1984A Bonds for sale under the securities laws of any of the states of the United States of America; or

(f) To set forth the terms and conditions of additional bonds or securities payable from Net Pledged Revenues issued pursuant to Article IX hereof.

Section 1402. Supplemental Ordinances Requiring Consent of Bondholders. Exclusive of supplemental ordinances covered by Section 1401 hereof, the holders of not less than sixty-six and two-thirds percent in aggregate principal amount of the Series 1984A

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Bonds then Outstanding shall have the right, from time to time, to consent to and approve any ordinance amendatory or supplemental hereto as shall be deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Ordinance; provided, however, that without the consent of the holders of all the Series 1984A Bonds at the time Outstanding nothing herein contained shall permit, or be construed as permitting:

(a) An extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, any Series 1984A Bond;

(b) The deprivation of the holder of any Series 1984A Bond then Outstanding of the lien created by this Ordinance (other than as permitted hereby when such Series 1984A Bond was initially issued);

(c) A privilege or priority of any Series 1984A Bond or Series 1984A Bonds over any other Series 1984A Bond or Series 1984A Bonds; or

(d) A reduction in the aggregate principal amount of the Series 1984A Bonds required for consent to any such supplemental ordinance.

Section 1403. Notice of Adoption. Except as otherwise provided in Section 1402 hereof, the County may at any time adopt an ordinance making a modification or an amendment permitted by the provisions of Section 1402 hereof to take effect when and as provided in Section 1404 hereof. Upon the adoption of such ordinance, a copy thereof, certified by the County Clerk, shall be delivered to and be held by the Trustee for the inspection by any holder of any Series 1984A Bond. A copy of such ordinance (or summary thereof or reference thereto in form approved by the Trustee), together with a request to holders of Series 1984A Bonds for their consent thereto shall be mailed to the Bank and to the holders of the Series 1984A Bonds at their addresses as the same shall last appear on the registration books.

Section 1404. Effective Date. Such ordinance shall not be effective:

A. Written Consent and Opinion of Counsel. Unless and until there shall have been filed with the Trustee within 60 days (or such longer period as shall be prescribed by the County) following the giving of the notice described in Section 1403 hereof:

(a) The written consents of the Bank and the holders of the percentages of Outstanding Series 1984A Bonds specified in Section 1402 hereof, and

(b) An Opinion of Counsel stating that such ordinance has been duly and lawfully adopted by the County in accordance with the provisions of this Ordinance, is authorized or permitted by this Ordinance, and is valid and binding upon the County and is enforceable in accordance with its terms;

and

B. Notice of Consent. Unless and until a notice stating that the ordinance has been consented to by the Bank and the holders of the required percentages has been mailed to the holders of the Outstanding Series 1984A Bonds at their addresses as the same shall last appear on the registration books.

At the time that the requirements of subparagraph (A) of this Section shall have been met, the Trustee shall proceed to cause the notice required by subparagraph (B) of this Section to be mailed.

Section 1405. Ordinance Binding after Receipt of Required Consent. Such ordinance making such modification or amendment shall be deemed conclusively binding upon the County, the Trustee and the holders of the Outstanding Series 1984A Bonds upon the mailing of the notice required by subparagraph (B) of Section 1404 hereof and from and after such mailing no holder of any Series 1984A Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner question the propriety of the adoption thereof, or to enjoin or restrain the Trustee or the County from taking any action pursuant to the provisions thereof. Any supplemental ordinance adopted in accordance with the provisions of this Article shall thereafter form a part of this Ordinance and all the terms and conditions contained in any such supplemental ordinance as to any provision authorized to be contained therein shall be deemed to be part of this Ordinance for any and all purposes.

ARTICLE XV

MISCELLANEOUS

Section 1501. Delegated Powers. The Chairman, the Clerk and the Treasurer and other officers and agents of the County hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. Printing Bonds. The printing of the Series 1984A Bonds, including, without limitation, the printing on each Series 1984A Bond of a certified true copy of bond counsel's approving opinion; and

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

- (1) The signing of the Series 1984A Bonds,
- (2) The tenure and identity of the officials of the Governing Body and of the County,
- (3) The delivery of the Series 1984A Bonds and the receipt of the purchase price,
- (4) The exemption of the interest on the Series 1984A Bonds from federal income taxation, and
- (5) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof.

Section 1502. Statute of Limitations. No action or suit based upon any Series 1984A Bond or other obligation of the County shall be commenced after it is barred by any statute of limitations relating thereto. Any trust or fiduciary relationship between the County and the holder of any Series 1984A Bond 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 Series 1984A 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 County, unless the Governing Body shall otherwise provide by ordinance of the County. Nothing herein prevents the payment of any

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such obligation after any action or suit for its collection has been barred if the Governing Body deems it in the best interests of the public to do so and orders such payment to be made.

Section 1503. Evidence of Security Holders. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the holder 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 holder 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 Ordinance (except as otherwise herein expressly provided) if made in the following manner but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

A. Proof of Execution. The fact and the date of the execution by any holder of any Series 1984A Bonds or other securities or his attorney of such instrument may be provided by the certificate, which need not be acknowledged or verified, of any notary public or other officer authorized to take acknowledgments in the jurisdiction 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.

B. Proof of Holdings. The ownership of any Series 1984A Bond and the amount and numbers of such Series 1984A Bonds and the date of holding of same shall be proved by the registration books of the County kept by the Registrar/Paying Agent.

Section 1504. Warranty upon Issuance of Series 1984A Bonds. Any Series 1984A Bonds authorized as herein provided, when duly executed and delivered for the purpose provided for in this Ordinance shall constitute a warranty by and on behalf of the County for the benefit of each and every future holder of any of the Series 1984A Bonds that the Series 1984A Bonds have been issued for a valuable consideration in full conformity with law.

Section 1505. Immunities of Purchaser. The Purchaser and any associate thereof are under no obligation to any holder of the Series 1984A 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 Ordinance. The immunities and exemptions from liability of the Purchaser and any associate thereof hereunder extend to their partners, directors, successors, employees and agents.

Section 1506. Prior Contracts. Nothing herein impairs the County's obligation of contracts with any Person in connection with the County, including, without limitation, the Adjusted Gross Revenues, the Facilities, the Project or any combination thereof.

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

Section 1507. 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 Ordinance does not purport to do so.

Section 1507. Notice to Rating Agency. The County and the Trustee agree to provide Moody's Investors Service Inc. with notice of (a) any change of Trustee, (b) any material change in this Ordinance or the Repayment Agreement, (c) any redemption or mandatory tender for purchase of the Series 1984A Bonds and (d) the expiration or termination of the Letter of Credit.

Section 1508. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, addressed as follows: if to the County, at Office of the County Treasurer, 1001 East Nineth Street, Reno, Nevada 89520, attention: County Treasurer; if to the Trustee, at Valley Bank of Nevada, 401 South Virginia Street, Reno, Nevada 89510, attention: Corporate Trust Division; if to the Remarketing Agent, at 85 Broad Street, New York, New York 10004, attention: Municipal Bond Trading Desk; if to the Registrar/Paying Agent, at Chemical Bank, 55 Water Street, New York, New York 10275, attention: Corporate Trust Department; and if to the Bank, at One Mellon Bank Center, Pittsburgh, Pennsylvania 15258, attention: Health Care Finance Section. A duplicate copy of each notice, certificate or other communication given hereunder by the County or the Trustee shall also be given to the Bank. The Bank, the Remarketing Agent, the Registrar/Paying Agent and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Proposed on the 8th day of May, 1984.


Proposed by Commissioner Lillard.

Passed on the 8th day of May, 1984.

Those Voting Aye: Jim King
Jim Lillard
Gene McDowell
Dick Ritter
Belie Williams, Chairman

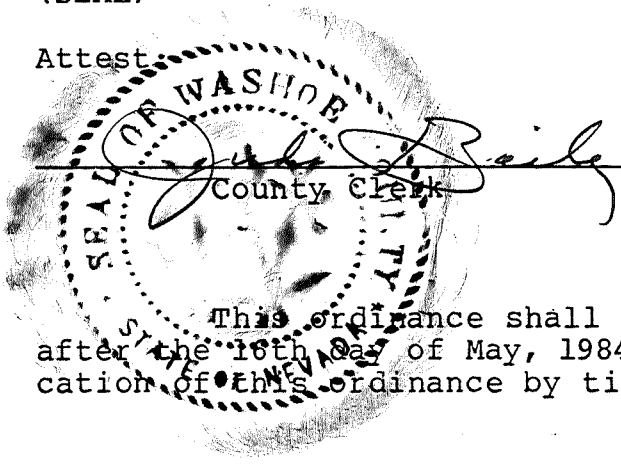
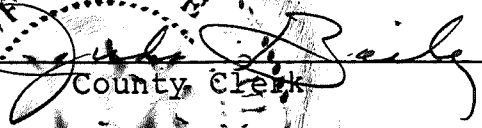
Those Voting Nay: _____

Those Absent and Not Voting: _____


Chairman
Board of County Commissioners
Washoe County, Nevada

(SEAL)

Attest


County Clerk


This ordinance shall be in full force and effect from and after the 16th day of May, 1984 (i.e., the date of the second publication of this ordinance by title only).

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