

JUN - 2 1988

RENO NEWSPAPERS, INC. Publishers of  
RENO GAZETTE-JOURNAL

0743

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DESCRIPTION OF LEGAL ADVERTISING

Ord. No. 743

349008

TERMS: Please pay from this invoice. It is due upon presentation and is past due after 15 days.

Legal Ad. Cost 33.60

Extra Proofs \_\_\_\_\_

Notary Fee 2.00

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- Washoe County Clerk
- P.O. Box 11130
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MONTH

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

May

X

June

X

PROOF OF PUBLICATION

NOTICE OF COUNTY ORDINANCE  
PUBLIC NOTICE IS HEREBY GIVEN  
that Bill No. 918, Ordinance No. 743,  
entitled, "An ordinance designated by  
the short title "1988A Building Bond  
Ordinance"; providing for the issuance  
by Washoe County, Nevada, of its  
registered, negotiable, general obliga-  
tion (limited tax) building bonds  
(additionally secured by pledged reve-  
nues), Series June 1, 1988A; fixing the  
principal amount of the bonds,  
providing their form, terms and  
conditions, and manner and terms of  
their issuance, the manner of their  
execution, the method of paying them,  
the security therefor and providing for  
the sale thereof; providing for the levy  
and collection of annual general (ad  
valorem) taxes for the payment of the  
bonds; additionally securing their  
payment by a pledge of certain County  
revenues derived from the building  
project financed with the proceeds of  
the bonds and from certain other  
County buildings; providing other  
covenants, agreements and other  
details concerning the bonds, the  
project, the general tax proceeds and  
the revenues pledged for the payment  
of the bonds; ratifying action pre-  
viously taken and pertaining to the  
foregoing by the County and its  
officers; by declaring that this ordi-  
nance pertains to the sale, issuance  
and payment of the bonds, providing  
for its adoption as if an emergency  
exists, and providing the effective date  
hereof, was adopted on May 17, 1988,  
by Commissioners Beck, Cornwall,  
Lillard, and McDowell.

Typewritten copies of the ordinance  
are available for inspection by all  
interested persons at the office of the  
County Clerk.

Judi Bailey, County Clerk  
349008-Ord No. 743  
May 25/June 1-mb133

STATE OF NEVADA,  
COUNTY OF WASHOE

SS.

Marina Blasco

being first duly sworn, deposes and says: That as the legal clerk of  
the RENO GAZETTE-JOURNAL, a daily newspaper published in  
Reno, Washoe County, State of Nevada, that the notice \_\_\_\_\_ of \_\_\_\_\_  
County Ordinance

\_\_\_\_\_ of which a copy is hereto  
attached, was first published in said newspaper in its issue dated the

25<sup>th</sup> day of May, 1988 and, June 1,

the full period of 2 days, the last publication thereof being in

the issue of June 1, 1988.

Signed \_\_\_\_\_

Subscribed and sworn to before me this

1st day of June, 1988

\_\_\_\_\_  
Notary Public

ALICE L. BUFFALOEE  
Notary Public - State of Nevada  
Appointment Recorded In Washoe County  
MY APPOINTMENT EXPIRES JUNE 5, 1989

Summary - An ordinance authorizing the issuance by Washoe County, Nevada, of its General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A, and providing other matters relating thereto.

BILL NO. 918

ORDINANCE NO. 743

AN ORDINANCE DESIGNATED BY THE SHORT TITLE "1988A BUILDING BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE BY WASHOE COUNTY, NEVADA, OF ITS REGISTERED, NEGOTIABLE, GENERAL OBLIGATION (LIMITED TAX) BUILDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES JUNE 1, 1988A; FIXING THE PRINCIPAL AMOUNT OF THE BONDS, PROVIDING THEIR FORM, TERMS AND CONDITIONS, AND MANNER AND TERMS OF THEIR ISSUANCE, THE MANNER OF THEIR EXECUTION, THE METHOD OF PAYING THEM, THE SECURITY THEREFOR AND PROVIDING FOR THE SALE THEREOF; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF CERTAIN COUNTY REVENUES DERIVED FROM THE BUILDING PROJECT FINANCED WITH THE PROCEEDS OF THE BONDS AND FROM CERTAIN OTHER COUNTY BUILDINGS; PROVIDING OTHER COVENANTS, AGREEMENTS AND OTHER DETAILS CONCERNING THE BONDS, THE PROJECT, THE GENERAL TAX PROCEEDS AND THE REVENUES PLEDGED FOR THE PAYMENT OF THE BONDS; RATIFYING ACTION PREVIOUSLY TAKEN AND PERTAINING TO THE FOREGOING BY THE COUNTY AND ITS OFFICERS; BY DECLARING THAT

THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE AND PAYMENT OF THE BONDS, PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

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

(2) WHEREAS, pursuant to Nevada Revised Statutes ("NRS") §§ 244A.011 through 244A.065 (the "County Bond Law"), and to NRS Chapter 350, and all laws amendatory thereof, which includes the Local Government Securities Laws, being NRS §§ 350.500 through 350.720, and all laws amendatory thereof (the "Bond Act"), the Board of County Commissioners (the "Board" or the "Governing Body") of the County is authorized and empowered to acquire, improve and equip a county building project, including without limitation by constructing and equipping a new administration building (the "Project"), and to issue the County's general obligation bonds payable from general (ad valorem) taxes ("General Taxes") which payment is additionally secured by a pledge of net revenues derived from the operation of the Project and from other revenues derived from certain other County buildings (more fully described below) to defray the cost of the Project wholly or in part, in the manner and on the conditions provided in the County Bond Law and NRS Chapter 350; and

(3) WHEREAS, pursuant to NRS §§ 350.001 to 350.006 (the "Bond Commission Act") the Board submitted to the Washoe County General Obligation Bond Commission (the "Commission") the County's proposal (the "Bond Proposal") to issue its negotiable general obligation building bonds (additionally secured by pledged revenues) to finance the Project in the maximum principal amount of \$8,000,000 (the "bonds"); and the Commission has heretofore approved that Bond Proposal; and

(4) WHEREAS, the Board has determined and hereby determines that payment of the bonds will be additionally

secured by a pledge of certain revenues received by the County consisting of (i) revenues derived from the operation of the building Project financed with the proceeds of the 1988A Bonds, and (ii) revenues derived from those purchase payments due on and after June 1, 1988, required to be paid to the County by Washoe Medical Center, Inc. (the "Medical Center") under the terms of an agreement known as the "Transfer and Assumption Agreement between Washoe County, Nevada, and Washoe Medical Center, Inc., dated as of November 12, 1985" (the "Transfer and Assumption Agreement") entered in connection with the sale by the County to the Medical Center of County buildings which formerly comprised a county-owned hospital (the "Hospital"), which payments consist of equal monthly installments in the amount of Eighty-Three Thousand Three Hundred Three and 33/100 Dollars (\$83,333.33) or more due and payable on the 1st day of June 1988 and continuing each and every month thereafter until December 1, 1988 plus the balance of the purchase price remaining on December 1, 1998 (the "Pledged Revenues"; such term shall include the interest or other gain from the investment of the Pledged Revenues as provided in § 49 hereof); and

(5) WHEREAS, based on a revenue study prepared by the County's staff and the County's financial consultant, Nevada Municipal Consultants, Inc. (the "Revenue Study"), the Board has determined and hereby finds and determines that the Pledged Revenues will at least equal the amount required in each year for the payment of the principal of and interest on the bonds; and

(6) WHEREAS, pursuant to NRS § 350.020(2) the Board caused a notice of its intention to issue the bonds to be published in a newspaper of general circulation in the County and an affidavit of publication on file with the County Clerk; and

(7) WHEREAS, no petition in conformity with NRS § 350.020(2) requesting an election on the bonds has been

the issuance of the 1988A Bonds in the Bond Act, the Supplemental Bond Act, the County Bond Law, and in any other relevant act of the State or the Federal Government, has been met; and pursuant to § 350.708, Bond Act, this determination of the Board that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion.

(20) WHEREAS, the Board has determined and does hereby declare:

(i) This Ordinance pertains to the sale, issuance and payment of the 1988A Bonds; and

(ii) 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

(iii) This Ordinance may accordingly be adopted as if an emergency exists and 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 DO ORDAIN:

SECTION 1. Short Title. This Ordinance shall be known and may be cited as the "1988A Building Bond Ordinance."

SECTION 2. Acceptance of Purchase Proposal. The Purchase Proposal submitted by the Purchaser for the purchase of all the 1988A Bonds as set forth in the preambles hereof is hereby formally approved and accepted.

SECTION 3. Ratification. All action heretofore taken by the Board and the officers of the County directed toward the Project and toward the issuance, sale and delivery of the Bonds is ratified, approved and confirmed including, without limitation, any revisions to the Official Notice of Bond Sale,

and the distribution of the Official Statement for the 1988A Bonds.

SECTION 4. Estimated Life of Facilities. The Board, on behalf of the County, has determined and does hereby declare:

A. The estimated life or estimated period of usefulness of the Project to be acquired with the Bonds is not less than 10 years; and

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

SECTION 5. Necessity of Project and Bonds. It is necessary and in the best interests of the Board, its officers, and the inhabitants of the County, that the County effect the Project and defray wholly or in part the cost thereof by the issuance of the 1988A Bonds therefor; and it is hereby so determined and declared.

SECTION 6. Authorization of 1988A Bonds. The Board hereby authorizes the Project.

SECTION 7. Authorization of 1988A Bonds. For the purpose of providing funds to pay all or a portion of the cost of the Project, the County shall issue the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A". The 1988A Bonds shall be in the form substantially as set forth in § 25 hereof.

SECTION 8. General Obligations. All of the 1988A Bonds, as to the principal thereof and the interest thereon (the "Bond Requirements"), shall constitute general obligations of the County, which hereby pledges its full faith and credit for their payment. So far as possible, the Bond Requirements of the 1988A Bonds shall be paid from Pledged Revenues. However, the 1988A Bonds, as to all Bond Requirements, shall also be payable

from General Taxes (except to the extent other moneys, such as Pledged Revenues, are available therefor) as herein provided.

SECTION 9. Irrevocable Pledge of Revenues. The Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any fund or account under this Ordinance are hereby irrevocably and exclusively pledged to secure the payment of the Bond Requirements of the 1988A Bonds; this pledge shall be valid and binding from and after the effective date of this Ordinance, 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; 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 all parties the County (except as herein otherwise provided) respective or whether such parties have notice thereof.

SECTION 10. First Lien. The 1988A Bonds authorized herein constitute an irrevocable and exclusive first lien upon the Pledged Revenues. Until the Bond Requirements of the 1988A Bonds shall have been fully paid or provided for, the County shall issue no bonds or other obligations payable from or constituting a lien on the Pledged Revenues.

SECTION 11. Equality of Bonds. The 1988A Bonds from time to time outstanding shall be equally and ratably secured by the lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues. The covenants and agreements herein set forth to be performed shall be for the equal benefit, protection and security of the owners of any and all of the outstanding 1988A Bonds, all of which regardless of the time of their maturity, shall be of equal rank without preference, priority or distinction.

SECTION 12. Limitations upon Security. The payment of the 1988A Bonds is not secured by any encumbrance, mortgage or other pledge of property of the County, except for the proceeds of General Taxes and any other moneys pledged for the payment of the 1988A Bonds. No property of the County, subject to such exception, shall be liable to be forfeited or taken in payment of the 1988A Bonds.

SECTION 13. Ordinance to Constitute Contract. In consideration of the purchase and the acceptance of the 1988A Bonds by those who shall own the same from time to time, the provisions hereof shall be deemed to be and shall constitute a contract between the County and the registered owners from time to time of the 1988A Bonds.

SECTION 14. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the 1988A 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 Board or any officer or other agent of the Board or County, past, present or future, either directly or indirectly through the Board 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 Bond and as a part of the consideration of its issuance specially waived and released.

SECTION 15. Bond Details. The 1988A Bonds shall be issued in fully registered form, i.e., registered as to both principal and interest, in compliance with § 149 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the regulations of the Secretary of the Treasury thereunder. The 1988A Bonds shall be dated as of June 1, 1988, and shall be issued in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no



individual Bond will be issued with more than one maturity). The 1988A Bonds shall bear interest from their date until their respective maturity dates at the respective rates set forth below, payable semiannually on December 1 and June 1 of each year commencing on December 1, 1988; provided that those 1988A Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown below from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bond. The 1988A Bonds shall be issued in the aggregate principal amount of \$ \_\_\_\_\_ and shall mature in regular order of maturity on June 1 in each of the designated amounts of principal and designated years, as follows:

Interest Rate (Per Annum)	Principal Maturing	Years Maturing
____ %	\$ _____	1989
____ %	_____	1990
____ %	_____	1991
____ %	_____	1992
____ %	_____	1993
____ %	_____	1994
____ %	_____	1995
____ %	_____	1996
____ %	_____	1997
____ %	_____	1998

The principal of any Bond shall be payable to the owner thereof as shown on the registration books kept by Valley Bank of Nevada, in Las Vegas, Nevada, as registrar for the Bonds (the "Registrar"), upon maturity and upon presentation and surrender at the office of Valley Bank of Nevada, in Las Vegas, Nevada, as paying agent for the Bonds (the "Paying Agent"). If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is

paid in full. Payment of interest on any Bond shall be made to the owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the owner thereof, at his or her address as shown on the registration books kept by the Registrar as of the close of business on the 15th day of the calendar month next preceding each interest payment date (other than a special interest payment date hereafter fixed for payment of defaulted interest) (the "Regular Record Date"); but any such interest not so timely paid or duly provided for shall cease to be payable to the owner thereof as shown on the registration books of the Registrar as of the close of business on the Regular Record Date and shall be payable to the owner thereof, at his or her address, as shown on the registration books of the Registrar as of the close of business on a date fixed to determine the names and addresses of owners for the purpose of paying defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the 1988A Bonds not less than ten days prior thereto by first-class mail to each such owner as shown on the Registrar's registration books as of a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the owner of such Bond and the Paying Agent. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

SECTION 16. No Prior Redemption. The 1988A Bonds are not subject to prior redemption.

SECTION 17. Negotiability. Subject to the registration provisions herein provided, the 1988A Bonds shall be fully negotiable within the meaning of and for the purpose of the Uniform Commercial Code - Investment Securities and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

SECTION 18. Registration, Transfer and Exchange of Bonds.

A. Books for the registration and transfer of the 1988A Bonds shall be kept by the Registrar. Upon the surrender of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the owner or his or her attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations, as provided in § 15 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the owner thereof, the Registrar may make a sufficient charge to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing and authenticating a new Bond.

B. The person in whose name any Bond shall be registered, on the registration books kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes (except to the extent otherwise provided in § 15 hereof with respect to

interest payments); and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the County may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

D. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancelation shall be furnished by the Paying Agent or Registrar to the Board.

#### SECTION 19. Execution and Authentication.

A. Prior to the execution of any 1988A Bonds and pursuant to § 350.638, Bond Act, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Chairman of the Board (the "Chairman"), the County Treasurer (the "Treasurer") and the County Clerk (the "Clerk") shall have each filed with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. The 1988A Bonds shall be approved, signed and executed in the name of and on behalf of the County with the manual or facsimile signature of the Chairman, shall be signed and executed with the manual or facsimile signature of the

Treasurer, and shall bear a manual impression or a facsimile of an impression of the official seal of the County attested with the manual or facsimile signature of the Clerk.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the 1988A Bonds issued hereunder. By authenticating any of the 1988A Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

D. The Chairman, the Treasurer and the Clerk are hereby authorized and directed to prepare and to execute the 1988A Bonds as herein provided.

SECTION 20. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the execution of the 1988A Bonds shall be valid and binding obligations of the County, notwithstanding that before their delivery any or all of the persons who executed them shall have ceased to fill their respective offices. The Chairman, the Treasurer, and the Clerk at the time of the execution of a signature certificate relating to the 1988A Bonds, may each adopt as and for his own facsimile signature the facsimile signature of his predecessor in office if such facsimile signature appears upon any of the 1988A Bonds.

SECTION 21. Incontestable Recital. Pursuant to § 350.628 of the Bond Act, the 1988A Bonds shall contain a recital that they are issued pursuant to the Bond Act, which recital shall be conclusive evidence of the validity of the 1988A Bonds and the regularity of their issuance.

SECTION 22. State Tax Exemption. Pursuant to § 350.710, Bond Act, the 1988A 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 23. Initial Registration. The Registrar shall maintain in a separate book the registration records of the County for the 1988A Bonds, showing the name and address of the owner of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond, and its interest rate, principal amount, and bond number.

SECTION 24. Bond Delivery. After such registration by the Registrar and after their execution and authentication as provided herein, the Treasurer shall cause the 1988A Bonds to be delivered to the Purchaser, upon payment being made in accordance with the terms of their sale.

SECTION 25. Bond Form. Subject to the provisions of this Ordinance, the Bonds shall be in substantially the following form, with such omissions, insertions, endorsements, and variations as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT  
EFFECTIVE

UNITED STATES OF AMERICA  
STATE OF NEVADA  
WASHOE COUNTY, NEVADA  
GENERAL OBLIGATION (LIMITED TAX) BUILDING BONDS  
(ADDITIONALLY SECURED BY PLEDGED REVENUES)  
SERIES JUNE 1, 1988A

No. \_\_\_\_\_ \$ \_\_\_\_\_

Interest Rate                      Maturity Date                      Dated As of                      CUSIP

June 1, 1988

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

Washoe County, in the State of Nevada (the "County", and the "State", respectively) for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest thereon on December 1 and June 1 of each year, commencing on December 1, 1988, at the interest rate per annum specified above, until the principal sum is paid or payment has been provided for. This Bond (being one of the "Bonds", as hereinafter defined) shall bear interest from the

most recent interest payment date to which interest has been paid or, if no interest has been paid, from the date of this Bond. The principal of this Bond is payable upon presentation and surrender hereof at the principal office of the County's paying agent for the Bonds (the "Paying Agent"), presently Valley Bank of Nevada, in Las Vegas, Nevada, who is also now acting as the County's Registrar for the Bonds (the "Registrar"). Interest on this Bond will be paid on or before each interest payment date (or, if such date is not a business day, on or before the next succeeding business day) by check or draft mailed to the person in whose name this Bond is registered (the "registered owner") in the registration records of the County maintained by the Registrar, at the address appearing thereon, as of the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner as of the close of business on a special record date for the payment of any defaulted interest (the "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owner not less than ten (10) days prior thereto. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and the Paying Agent, as provided in the ordinance of the Board of County Commissioners of the County (the "Board") authorizing the issuance of the Bonds of the series of which this Bond is one (the "1988A Bonds" or the "Bonds") and designated in § 1 thereof as the "1988A Building Bond Ordinance" (the "Ordinance"), duly adopted by the Board on May 17, 1988. All such payments shall be made in lawful money of the United States of America without



deduction for any service charges of the Paying Agent or Registrar.

The Bonds are issuable solely as fully registered Bonds in denominations of \$5,000 each or (subject to certain conditions) any integral multiple thereof, and are exchangeable for fully registered Bonds of the same maturity in equivalent aggregate principal amounts and in authorized denominations at the aforesaid office of the Registrar but only in the manner, subject to the limitations, and on payment of charges provided in the Ordinance.

This Bond must be registered in the name of the owner as to both principal and interest on the registration books kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Ordinance. No transfer of this Bond shall be valid unless made on the registration books maintained at the principal office of the Registrar by the registered owner or his or her attorney duly authorized in writing.

This Bond is fully transferable by the registered owner in person or by his or her duly authorized attorney on the registration books kept by the Registrar upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon such transfer a new fully registered Bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this Bond, on payment of the charges and subject to the terms and conditions as set forth in the Ordinance. The County and the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Ordinance with respect to Regular and Special Record Dates for the payment of interest.

This Bond is not subject to redemption prior to its maturity date.

This Bond is one of a series of Bonds issued by the County upon its behalf and upon the credit thereof, for the purpose of defraying wholly or in part the cost of acquiring, improving and equipping a county building project, including without limitation by constructing a new administration building, more fully described in the Ordinance (the "Project") under the authority of and in full compliance with the Constitution and laws of the State, and pursuant to the Ordinance.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") §§ 244A.011 through 244A.065 (the "County Bond Law"), pursuant to NRS §§ 350.001 through 350.006 (the "Bond Commission Act"), pursuant to NRS §§ 350.500 through 350.720, and all laws amendatory thereof, designated in § 350.500 thereof as the Local Government Securities Law (the "Bond Act"), pursuant to NRS § 350.020(2) and pursuant to the Ordinance; pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the 1988A Bonds and the regularity of their issuance; and pursuant to § 350.710 of the Bond Act, the 1988A Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof.

It is hereby 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 the total indebtedness of the County, including that of this Bond does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of annual general (ad valorem) taxes ("General Taxes") against all the taxable property within the County sufficient to pay the principal of and interest on this Bond (the "Bond Requirements") when the same become due (except to the extent other funds, such as

"Pledged Revenues", are available therefor), subject to the limitations imposed by the Constitution and by the statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of Bond Requirements of this Bond according to its terms.

The payment of the 1988A Bonds, as to all Bond Requirements, is additionally secured by an irrevocable pledge of certain revenues received by the County consisting of (i) revenues derived from the operation of the building Project financed with the proceeds of the 1988A Bonds, and (ii) revenues derived from those purchase payments due on and after June 1, 1988, required to be paid to the County by Washoe Medical Center, Inc. (the "Medical Center") under the terms of an agreement known as the "Transfer and Assumption Agreement between Washoe County, Nevada, and Washoe Medical Center, Inc., dated as of November 12, 1985" (the "Transfer and Assumption Agreement") entered in connection with the sale by the County to the Medical Center of County buildings which formerly comprised a county-owned hospital (the "Hospital"), which payments consist of equal monthly installments in the amount of Eighty-Three Thousand Three Hundred Three and 33/100 Dollars (83,333.33) or more due and payable on the 1st day of June 1988 and continuing each and every month thereafter until December 1, 1998 plus the balance of the purchase price remaining on December 1, 1998 (the "Pledged Revenues").

The 1988A Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and the 1988A Bonds constitute an irrevocable and exclusive first lien upon the Pledged Revenues.

Payment of the Bond Requirements due in connection with the Bonds may be made from and as security for such payment there is irrevocably and exclusively pledged, pursuant to the Ordinance, a special account thereby identified as the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A, Bond Fund" into which account the County covenants to pay

from the Pledged Revenues a sum sufficient to pay when due the Bond Requirements of the Bonds, except to the extent the proceeds of General Taxes and other moneys are legally available therefor.

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

Reference is made to the Ordinance, and to any and all modifications and amendments thereof, to the Bond Act and to all laws supplemental thereto for an additional description of the nature and extent of the security for the Bonds, the General Taxes, accounts, funds and revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights and remedies of the owners of the Bonds.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance or any instrument 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 Ordinance. The pledge of revenues and other obligations of the County under the Ordinance may be discharged at or prior to the respective maturities of the Bonds upon the making of provisions for the payment thereof on the terms and conditions set forth in the Ordinance.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or other instrument pertaining thereto against any individual member of the Board, or any officer or other agent of the County, past, present, or future, either directly or indirectly through the Board or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise,

all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

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

IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, State of Nevada, has caused this Bond to be executed in the name and on behalf of the County with the manual or facsimile signature of the Chairman of the Board, to be attested, signed and executed with a manual or facsimile signature of the County Clerk and to be signed, subscribed and executed by the manual or facsimile signature of the County Treasurer, and has caused a manual or facsimile impression of the seal of the County to be affixed hereon, all as of June 1, 1988.

WASHOE COUNTY

(Manual or Facsimile Signature)

Chairman

Board of County Commissioners  
Washoe County, Nevada

(Manual or Facsimile Signature)

County Treasurer

Washoe County, Nevada

(MANUAL OR FACSIMILE  
COUNTY SEAL)

Attest:

(Manual or Facsimile Signature)

County Clerk

Washoe County, Nevada

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication for Bonds)

Date of authentication  
and registration \_\_\_\_\_

This is one of the Bonds described in the within-mentioned Ordinance, and this Bond has been duly registered on the registration books kept by the undersigned as Registrar for such Bonds.

VALLEY BANK OF NEVADA  
as Registrar

By Manual Signature  
Authorized Officer  
or Employee

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

(Form of Assignment for Bonds)

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

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

\_\_\_\_\_  
Signature Guaranteed:

\_\_\_\_\_  
Bank

Name of Transferee:

\_\_\_\_\_  
Address of Transferee:

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

Social Security or other tax identification number of Transferee:

\_\_\_\_\_

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

NOTICE: TRANSFER FEES MUST BE PAID TO THE REGISTRAR IN ORDER TO TRANSFER OR EXCHANGE THIS BOND AS PROVIDED IN THE WITHIN-MENTIONED ORDINANCE.

(End of Form of Assignment for Bonds)

(Form of Legal Opinion Certificate)

STATE OF NEVADA            )  
                                  ) ss.  
COUNTY OF WASHOE        )

LEGAL OPINION CERTIFICATE

I, the undersigned County Clerk of Washoe County, Nevada, do certify that the following approving opinion of Sherman & Howard, Attorneys at Law, Denver, Colorado, to wit:

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

is a true, perfect and complete copy of a manually executed and dated copy thereof on file in the records of the County in my office; and that the opinion was dated and issued as of the date of the initial delivery of and payment to the issuer for the Bonds of the series of which this Bond is one.

IN WITNESS WHEREOF, I have caused to be hereunto affixed my manual or facsimile signature.

(Facsimile Signature)

County Clerk  
Washoe County

(End of Form of Legal Opinion Certificate)



SECTION 26. Use of Bond Proceeds. Upon the issuance of the 1988A Bonds, the County Treasurer shall cause the proceeds of the Bonds to be applied as follows:

A. First, pursuant to § 350.648, Bond Act, the bond proceeds received from the sale of the 1988A Bonds as accrued interest on the 1988A Bonds and as any premium shall be deposited into the 1988A Bond Fund, hereinafter created.

B. The balance of the proceeds received from the sale of the 1988A Bonds shall be deposited into a special account hereby created and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A, Construction Account" (the "Construction Account") to be held by the County. Moneys in the Construction Account shall be used solely to defray wholly or in part the cost of the Project including, without limitation, as provided in § 350.516, Bond Act, all costs of issuing the Bonds, and the costs of rebates to the United States under § 148 of the Tax Code to the extent rebatable amounts are generated from the investment of moneys in the Construction Fund, which the Board hereby determines are necessary and desirable and pertain to the Project. After the Project is complete and after all expenses have been paid or adequate provision therefor is made, pursuant to § 350.650 Bond Act, any unexpended balance of Bond proceeds remaining in the Construction Account shall

be deposited into the Bond Fund hereinafter created to be used to pay the principal of and interest on the 1988A Bonds.

SECTION 27. Use of Investment Gain. Pursuant to § 350.658, Bond Act, and except as may otherwise be required by §§ 26 and 41 hereof, any gain from any investment and any reinvestment of any proceeds of the 1988A Bonds shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Construction Account to defray, in part, the cost of the Project or, if adequate provision has been made for the Project, into the Bond Fund, hereinafter created, for the respective payment of the principal of or interest on the Bonds or any combination thereof. As provided in § 35 hereof, the annual General Taxes for the payment of the principal of or interest on the Bonds levied after such deposits of any such investment or reinvestment gain, may be diminished to the extent of the availability of such deposit for the payment of such principal or interest.

SECTION 28. Completion of Project. The County, with the proceeds derived from the sale of the 1988A Bonds, shall proceed to complete the Project without delay and with due diligence to the best of the County's ability, as hereinabove provided. A contract or contracts for the construction and other acquisition of the Project improvements shall be let as soon as practicable after the delivery of any 1988A Bonds except to the extent theretofore let, if theretofore let.

SECTION 29. Prevention of Bond Default. Subject to the provisions of §§ 31 and 35 hereof, the Treasurer shall use any Bond proceeds credited to the Construction Account, without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys otherwise available therefor are insufficient for that purpose, unless such Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and

relating to the Project. The Treasurer shall promptly notify the Board of any such use.

SECTION 30. Purchaser Not Responsible. The validity of the Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project, or any part thereof, or to the completion of the Project. The Purchaser, any associate thereof, and any subsequent owner of any Bond shall in no manner be responsible for the application or disposal by the County or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

SECTION 31. General Tax Levies. So far as possible, the Bond Requirements of the Bonds shall be paid from Pledged Revenues. However, pursuant to § 350.596, Bond Act, the interest falling due on the Bonds on December 1, 1988 shall be paid out of the Construction Account or out of a general fund of the County or out of any other funds that may be available for such purpose, including, without limitation, any proceeds of General Taxes. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available without replacement for the payment of such Bond Requirements on other than a temporary basis), and for the purpose of creating funds for the payment of the Bond Requirements, there are hereby created separate accounts designated respectively as the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A, Principal Fund" (the "Principal Fund") and the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A, Interest Fund" (the "Interest Fund"). Pursuant to §§ 350.592 and 350.594, Bond Act, except to the extent other revenues are available therefor, including, without limitation, the Pledged Revenues, there shall be duly levied immediately after the issuance of the Bonds 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 fund or funds for any such amounts temporarily advanced to pay such initial installment of interest, and to pay the interest on the Bonds becoming due after such initial installment, and to pay and retire the Bonds as they thereafter become due at maturity as herein provided, after there are made due allowances for probable delinquencies. The proceeds of such annual levies shall be duly credited to such separate accounts for the payment of such Bond Requirements. In the preparation of the annual budget or appropriation resolution or ordinance for the County, the Board shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the County, including, without limitation, the Bonds, subject to the limitation imposed by NRS § 361.453 and Section 2, art. 10, State Constitution, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the County.

SECTION 32. 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 exceeds the limitation imposed by NRS § 361.453, or a lesser or greater amount fixed by the State Board of Examiners in any fiscal year, and it becomes 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 33. Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other taxes are levied and collected, and the proceeds thereof for the Bonds herein authorized shall be kept in the Principal Fund and in the Interest Fund, which accounts shall be used for no other purpose than the payment of principal and interest, respectively, as the same fall due.

SECTION 34. Use of General Fund. Any sums becoming due on the 1988A Bonds at any time when there are on hand from such General Taxes (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 35. Use of Other Funds. Nothing in this Ordinance prevents the County from applying any funds (other than General Taxes) that may be available for that purpose to the payment of the Bond Requirements as the same, respectively, mature, and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to § 350.598, Bond Act.

SECTION 36. Legislative Duties. In accordance with § 350.592, Bond Act, it shall be the duty of the Board 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 Board shall require the officers of the County to levy, extend and collect such General Taxes in the manner provided by law for the purpose of creating funds for the payment of the principal of the Bonds and 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 Bonds as hereinbefore specified.

SECTION 37. 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 of and interest on the Bonds; and such appropriations will not be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the Bond Requirements the Bonds have been wholly paid or provided for.

SECTION 38. Revenue Fund Deposits. So long as any of the 1988A Bonds shall be outstanding, as to any Bond Requirements, the entire Pledged Revenues, upon their receipt from time to time by the County, shall be set aside and credited immediately to a special account hereby credited and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988, Pledged Revenue Fund" (the "Revenue Fund").

SECTION 39. Administration of Revenue Fund. So long as any of the 1988A Bonds shall be outstanding, as to any Bond Requirements, each Fiscal Year the Revenue Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in §§ 40 through 44 hereof.

SECTION 40. Bond Fund Payments. First, from any moneys in the Revenue Fund, i.e., from the Pledged Revenues, there shall be credited to the special and separate account hereby created and known as the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A, Bond Fund" (the "1988A Bond Fund"), the following transfers:

A. On July 1, 1988, i.e., the first business day of the month immediately succeeding the delivery date of the 1988A

Bonds,  $2/6$  of an amount, together with any other moneys from time to time available therefor from whatever source (including, without limitation, any accrued interest and premium paid into the Bond Fund, and moneys representing capitalized interest held in the Construction Fund), at least equal to the interest coming due on the 1988A Bonds on December 1, 1988, and monthly thereafter to and including November 1, 1988,  $1/6$  of such amount; commencing on each interest payment date,  $1/6$  of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the outstanding 1988A Bonds except to the extent any other moneys are available therefor; and

B. On July 1, 1988, i.e., the first business day of the month immediately succeeding the delivery date of the 1988A Bonds,  $2/12$  of an amount together with any other moneys from time to time available therefor from whatever source, at least equal to the installment of principal maturing on June 1, 1989, and monthly thereafter to and including May 1, 1989,  $1/12$  of such amount; commencing on each principal payment date,  $1/12$  of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of principal of the outstanding 1988A Bonds,

except to the extent any other moneys are available therefor.

The purpose of the 1988A Bond Fund is to insure payment when due and payable of the Bond Requirements of the 1988A Bonds. The moneys credited to the Bond Fund are hereby pledged to be used to pay the Bond Requirements of the outstanding 1988A Bonds as such Bond Requirements become due, subject to the provisions below governing surplus moneys.

SECTION 41. Rebate Fund Deposits. Second, and after the deposits into the Bond Fund, from the Revenue Fund, i.e., from the Pledged Revenues, there shall be credited to a special and separate account hereby created and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Building Bonds (Additionally Secured by Pledged Revenues), Series June 1, 1988A, Rebate Fund" (the "1988A Rebate Fund"), such amounts as are required to be deposited therein to meet the County's obligations under the covenant contained in § 55 hereof, in accordance with § 148(f) of the Tax Code. Such deposits shall be made at such times as are required by § 148(f) of the Tax Code and such Covenant and amounts in the 1988A Rebate Fund shall be used for the purpose of making the payments to the United States required by such Covenant and § 148(f) of the Tax Code. As provided in § 26 hereof, rebatable amounts generated from the investment of the Construction Fund shall be transferred from the Construction Fund into the Rebate Fund as a cost of the Project. Any amounts in the 1988 Rebate Fund in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Revenue Fund.

SECTION 42. Defraying Delinquencies. If at any time the County shall for any reason fail to pay into the 1988A Bond Fund or the 1988A Rebate Fund the full amount above stipulated from the Revenue Fund, then an amount shall be paid first into the 1988A Bond Fund and second into the 1988A Rebate Fund at such time equal to the difference between that paid from the Pledged Revenues and the full amount so stipulated.



SECTION 43. Termination of Deposits. No payment need be made into the 1988A Bond Fund if the amounts in the 1988A Bond Fund total a sum at least equal to the entire amount of the outstanding 1988A Bonds as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case moneys in such account in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities (as hereinafter defined) from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to pay such Bond Requirements as the same become due; and any money in excess thereof in that account may be used in any lawful manner determined by the Board.

SECTION 44. Use of Surplus Revenues. After the payments hereinabove required to be made by §§ 40 through 42 hereof are made, any remaining Pledged Revenues in the Revenue Fund may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Bond Fund and the Rebate Fund all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided, for any one or any combination of lawful purposes as the Board may from time to time determine.

SECTION 45. Administration of Accounts. The special accounts designated in this Ordinance shall be administered as provided as follows in §§ 46 and 53.

SECTION 46. Places and Times of Deposits. Each of such special accounts hereof shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor, and the moneys accounted for in such special book accounts shall be deposited in one bank account or more in a commercial bank or commercial banks as determined and designated by the Board (except as otherwise expressly stated herein). Nothing herein

prevents the commingling of moneys accounted for in any two or more book accounts relating to the 1988A Bonds in any bank account or any investment in Federal Securities (as hereinafter defined) hereunder. Each bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then the payment shall be made on or before the next preceding secular day. Notwithstanding any other provision herein to the contrary, moneys sufficient to pay the Bond Requirements then coming due on the Bond shall be deposited with the Paying Agent at least on the day of each interest payment date herein designated and, in any event, in sufficient time to make timely payment of such Bond Requirements.

SECTION 47. Investment of Moneys. Any moneys in any such special account and not needed for immediate use, may be invested or reinvested by the Treasurer:

A. Bank Deposits. By deposit in one or more commercial banks as provided in §§ 46 and 51 hereof, and

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

1. Optional Redemption.  
shall be subject to redemption at any time at a fixed value by the

holder thereof at the option of such holder,

2. Scheduled Maturities. shall mature not later than the date or respective dates on which the proceeds are to be expended as estimated by the Treasurer, 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 48. Required and Permissive Investments. The 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 60 days. In that event the Treasurer 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 60-day 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 § 51 hereof. The Treasurer may invest or reinvest any moneys on hand at any times as provided in § 47 hereof even though he is not obligated to do so.

SECTION 49. Accounting for Investments. The Federal Securities so purchased as an investment or reinvestment of moneys in any such account shall be deemed at all times to be a part of the account and held in trust therefor. Except as herein otherwise provided, any interest or other gain in any account resulting from any such investments and reinvestment in Federal Securities and from any deposits of moneys in any commercial bank pursuant to this article shall be credited to

that Fund, and any loss in any account resulting from any such investments and reinvestment in Federal Securities and from any such deposits in any commercial bank shall be charged or debited to that Fund. No loss or profit in any account on any investments or reinvestment 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, reinvestment or certificates before the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided, Federal Securities and certificates of deposit shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligations) and other bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the County until such gain is realized. The expenses of purchase, safekeeping, sale and all other expenses incident to any investment or reinvestment of moneys hereunder shall be accounted for as a loss and shall be charged or debited to the respective Fund.

SECTION 50. Redemption or Sale of Investment Securities. The Treasurer 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. The Treasurer and each other officer of the County shall not be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Ordinance.

SECTION 51. Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States 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, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

SECTION 52. Accelerated Payments. Nothing contained herein prevents the accumulation in any account herein designated of any monetary requirements at a faster rate than the rate or minimum rate provided therefor, as the case may be.

SECTION 53. Payment of Securities Requirements. The moneys credited to any account designated herein for the payment of the Bond Requirements due in connection with the 1988A Bonds shall be used, without requisition, voucher, warrant or further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements payable from such account as the 1988A Bonds become due, upon the respective interest payment dates on which the County is obligated to pay the 1988A Bonds, or upon the respective interest payment and maturity dates of the 1988A Bonds, as provided therefor herein or otherwise, except to the extent any other moneys are available therefor, including, without limitation, moneys accounted for in the 1988A Bond Fund.

SECTION 54. Covenant to Protect Right to Receive Pledged Revenues. The Board hereby covenants not to consent to any amendment or supplement to the Transfer and Assumption Agreement which would materially adversely affect the owners of the 1988A Bonds. The Board hereby also covenants to, and the County's appropriate officers and hereby authorized and directed to, take all necessary steps for the benefit of the owners of the 1988A Bonds to preserve, protect and enforce the County's right to receive those moneys which are the Pledged Revenues, including without limitation, by performing the County's obligations and by enforcing the County's rights and pursuing its remedies under the Transfer and Assumption Agreement and other agreements related to the sale of the Hospital to the Medical Center. Nothing herein requires the County to proceed if the Board determines in good faith and without any gross

abuse of its discretion that if the Board so proceeds it is more likely than not to incur a net loss rather than a net gain, or the action is otherwise likely to affect materially and adversely the owners of the 1988A Bonds.

SECTION 55. Tax Covenant. The County covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the County or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under § 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in § 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted net book income and adjusted current earnings adjustments applicable to corporations under § 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would subject the County to any penalties under § 148 of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the County in fulfilling the above covenant under the Tax Code have been met. To the extent enacted into law, references to "Tax Code" in the foregoing covenant shall include those amendments to the Tax Code proposed in H.R. 4333 and S. 2238 (the "Technical Corrections Act of 1988") in the form introduced in the House of Representatives and Senate of the United States on March 31, 1988.

SECTION 56. Defeasance. When all Bond Requirements of the 1988A Bonds have been duly paid, the pledge, the lien, and all obligations hereunder shall thereby be discharged and the 1988A Bonds shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the County has placed in escrow or in

trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the Bonds, as the same become due. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished the Paying Agent shall mail written notice of the defeasance to the registered owner of the 1988A Bonds at the address last shown on the registration records for the 1988A Bonds maintained by the Registrar.

SECTION 57. Statute of Limitations. No action or suit based upon the 1988A Bonds, or other obligations 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 owner of any of the 1988A bonds or other obligee regarding any such other obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the 1988A 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 Revenue Fund, unless the Board shall otherwise provide by instrument of the County. Nothing herein prevents the payment

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

SECTION 58. Bondowner's Remedies. Each owner of any of the Bonds issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the County Bond Law and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided herein, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

SECTION 59. Warranty Upon Issuance of Bonds. The 1988A 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 owner of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

SECTION 60. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Board shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the Board may, upon notice mailed to each owner of any Bond at his or her address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the County shall have the right to have the same institution serve as both Registrar and Paying Agent.

SECTION 61. Delegated Powers. The officers of the County are hereby authorized and directed to take all action



necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. The printing of the Bonds, including, without limitation, and if appropriate, a statement of insurance, if any;

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

(1) the signing of the Bonds,

(2) the tenure and identity of the officials of the County,

(3) the assessed valuation of the taxable property in and the indebtedness of the County,

(4) the rate of General Taxes levied against taxable property in the County,

(5) the exemption of interest on the Bonds from federal income taxation,

(6) the delivery of the Bonds and the receipt of the Bond purchase price,

(7) the accuracy and completeness of any information provided in connection with the Bonds, including information contained in the Official Statement, and

(8) if it is in accordance with the fact, the absence of litigation, pending or threatened,

affecting the validity of the  
Bonds; and

C. The assembly and dissemination of  
financial and other information concerning  
the County and the Bonds.

SECTION 62. Ordinance Amendment. The terms and  
provisions of this Ordinance or of any instrument amendatory  
hereof or supplemental hereto and the rights and obligations of  
the County and of the owners of the Bonds hereunder may be  
modified or amended in any respect upon the adoption by the  
County and upon the filing with the County Clerk of an  
instrument to that effect and with the consent of all of the  
owners of the 1988A Bonds then outstanding.

SECTION 63. Ordinance Irrepealable. After any of the  
Bonds are issued, this Ordinance shall constitute an irrevocable  
contract between the County and the owner or owners of the  
Bonds; and this Ordinance, if any Bonds are in fact issued,  
shall be and shall remain irrepealable until the Bonds, as to  
all Bond Requirements, shall be fully paid, canceled and  
discharged, as herein provided.

SECTION 64. Implied Repealer. All ordinances,  
resolution bylaws and orders, or parts thereof, inconsistent  
herewith are hereby repealed to the extent only of such  
inconsistency. This repealer shall not be construed to revive  
any ordinance, resolutions, bylaw or order, or part hereof,  
heretofore repealed.

SECTION 65. Emergency. The Board has expressed in  
the preambles of this Ordinance that it pertains to the sale,  
issuance and payment of the 1988A Bonds, that this Ordinance may  
accordingly be adopted as if an emergency now exists, and may  
become effective at any time when an emergency ordinance of the  
County may go into effect. Consequently, pursuant to NRS  
350.579 final action shall be taken immediately, and this  
Ordinance shall be in effect from and after its publication by  
title as herein provided.

SECTION 66. Publication and Effective Date. After this Ordinance is signed by the Chairman and attested and sealed by the Clerk, this Ordinance shall be in effect from and after its publication twice by its title only, together with the names of the Commissioners voting for or against its passage and a statement that typewritten copies of this Ordinance are available for inspection by all interested parties at the office of the County Clerk, such publication to be made in a newspaper published and having a general circulation in the County at least once a week for a period of two weeks, such publication to be in substantially the following form:

## BILL NO. 918

## ORDINANCE NO. 743

AN ORDINANCE DESIGNATED BY THE SHORT TITLE "1988A BUILDING BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE BY WASHOE COUNTY, NEVADA, OF ITS REGISTERED, NEGOTIABLE, GENERAL OBLIGATION (LIMITED TAX) BUILDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES JUNE 1, 1988A; FIXING THE PRINCIPAL AMOUNT OF THE BONDS, PROVIDING THEIR FORM, TERMS AND CONDITIONS, AND MANNER AND TERMS OF THEIR ISSUANCE, THE MANNER OF THEIR EXECUTION, THE METHOD OF PAYING THEM, THE SECURITY THEREFOR AND PROVIDING FOR THE SALE THEREOF; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF CERTAIN COUNTY REVENUES DERIVED FROM THE BUILDING PROJECT FINANCED WITH THE PROCEEDS OF THE BONDS AND FROM CERTAIN OTHER COUNTY BUILDINGS; PROVIDING OTHER COVENANTS, AGREEMENTS AND OTHER DETAILS CONCERNING THE BONDS, THE PROJECT, THE GENERAL TAX PROCEEDS AND THE REVENUES PLEDGED FOR THE PAYMENT OF THE BONDS; RATIFYING ACTION PREVIOUSLY TAKEN AND PERTAINING TO THE FOREGOING BY THE COUNTY AND ITS OFFICERS; BY DECLARING THAT THIS ORDINANCE PERTAINS TO THE SALE, ISSUANCE AND PAYMENT OF THE BONDS, PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE HEREOF.

PUBLIC NOTICE IS HEREBY GIVEN, that an adequate number of typewritten copies of the above-numbered and entitled Ordinance are available for public inspection and distribution

at the office of the County Clerk of Washoe County, at her office in the County Courthouse in Reno, Nevada, and that such Ordinance was proposed by Commissioner Cornwall on the 17th day of May, 1988, and was passed and adopted at a regular meeting of the Washoe County Board of County Commissioners at the same meeting on the 17th day of May, 1988, by the following vote of the Board of County Commissioners:

Those Voting Aye:

Gene McDowell  
Larry Beck  
Dianne Cornwall  
James Lillard

Those Voting Nay:

Those Absent:

\_\_\_\_\_ Belie Williams

This Ordinance shall be in full force and effect from and after the 1st day of June, 1988, i.e., the date of the second publication of such Ordinance by 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 this 17th day of May, 1988.

/s/ Gene McDowell  
Chairman  
Board of County Commissioners  
Washoe County, Nevada

(SEAL)

Attest:

/s/ Betty Lewis  
Deputy County Clerk

(End of Form of Publication)

SECTION 67. Severability. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Proposed on the 17th day of May, 1988.

Proposed by Commissioner Cornwall.

Vote:

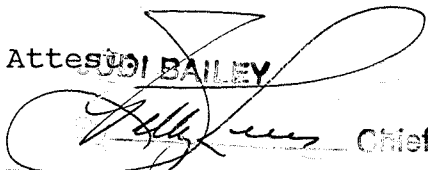
Aye:

- Gene McDowell
- Larry Beck
- Dianne Cornwall
- James Lillard
- Belie Williams

Nay:

\_\_\_\_\_

Attest

JOE BAILEY  
  
 Chief Deputy  
 County Clerk

  
 Chairman of the Board

This Ordinance shall be in force and effect from and after the 1st day of June, 1988, i.e, the date of the second publication of such Ordinance by its title only.