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PROOF OF PUBLICATION

STATE OF NEVADA
COUNTY OF WASHOE

ss. Tana Ciccotti

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

bill 1166

of which a copy is hereto attached, has been
published in each regular and entire issue of
said newspaper on the following dates to wit:

aug. 29 Sept 5 1997

Signed

Tana Ciccotti

Subscribed and sworn to before me on 09/05/97

Notary Public

Debra J. DiCianno

BILL NO. 1166
ORDINANCE NO. 991

AN ORDINANCE AUTHORIZING THE ISSUANCE BY WASHOE COUNTY, NEVADA OF ITS NEGOTIABLE "WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) (ADDITIONALLY SECURED WITH PLEDGED REVENUES) GOLF COURSE BONDS SERIES 1997", FOR THE PURPOSE OF FINANCING GOLF COURSE FACILITIES OF THE COUNTY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS; SECURING THEIR PAYMENT BY A PLEDGE OF THE NET REVENUES OF THE GOLF COURSE FACILITIES TO BE FINANCED WITH THE PROCEEDS OF THE BONDS; PROVIDING OTHER MATTERS RELATING THERETO; PROVIDING FOR ADOPTION AS IF AN EMERGENCY NOW EXISTS.

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 Bond on August 19, 1997, and was passed and adopted at a regular meeting of the Washoe County Board of County Commissioners at the same meeting on August 19, 1997.

Joanne Bond
Jim Galloway
Mike Moulton
Jim Shaw
Grant Sims

This Ordinance shall be in full force and effect from and after the 5th day of September, 1997, i.e., the date of the second publication of such Ordinance by title only.

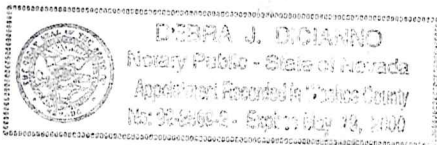
IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this Ordinance to be published by title only. DATED this August 19, 1997.

/s/Grant Sims
Chairman
Board of County Commissioners

Washoe County, Nevada

Attest:
/s/Judi Bailey
County Clerk

No. 3456 Aug 26, Sept 5, 1997



P.O. BOX 22000, RENO, NEVADA 89520
(702) 788-6200



991

WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
GOLF COURSE BONDS SERIES 1997
BOND ORDINANCE

97-854

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Summary - an ordinance authorizing the issuance of the Washoe County, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997.

ORDINANCE 991

AN ORDINANCE AUTHORIZING THE ISSUANCE BY WASHOE COUNTY, NEVADA OF ITS NEGOTIABLE "WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) (ADDITIONALLY SECURED BY PLEDGED REVENUES) GOLF COURSE BONDS SERIES 1997," FOR THE PURPOSE OF FINANCING GOLF COURSE FACILITIES OF THE COUNTY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS; SECURING THEIR PAYMENT BY A PLEDGE OF THE NET REVENUES OF THE GOLF COURSE FACILITIES TO BE FINANCED WITH THE PROCEEDS OF THE BONDS; PROVIDING OTHER MATTERS RELATING THERETO; PROVIDING FOR ADOPTION AS IF AN EMERGENCY NOW EXISTS.

WHEREAS, Washoe County in the State of Nevada (the "County" and the "State", respectively) is a county duly organized and created under the provisions of Nevada Revised Statutes ("NRS") Section 243.340; and

WHEREAS, the County now owns and operates municipal golf course facilities (the "Golf Course Facilities"); and

WHEREAS, the Board of County Commissioners of the County (the "Board") has determined and hereby declares that the public interest, health and welfare necessitates acquiring, improving, equipping, operating and maintaining a park project, including, but not limited to, real property, facilities and equipment for golf course facilities and all appurtenances and incidentals necessary, useful or desirable for such facilities within the County (the "Project"); and

WHEREAS, pursuant to NRS §§ 244A.011 through 244A.065, inclusive (the "County Bond Law"), and pursuant to chapter 350 of NRS and all laws amendatory thereof which includes the Local Government Securities Laws, being §§ 350.500 through 350.720, NRS, and all laws amendatory thereof, the County is authorized to borrow money and to issue general obligation bonds of the County for the purpose of defraying wholly or in part the cost of the Project; and

WHEREAS, pursuant to the County Bond Law, the County may additionally secure the payment of principal of, interest on and any prior redemption premiums due in connection with any

securities issued pursuant to the County Bond Law with all or part of any revenues derived from the operation of any project authorized by the County Bond Law and derived from any license or other excise tax levied for revenue and available for such a pledge; and

WHEREAS, pursuant to NRS 350.001 to 350.006, inclusive (the "DMC Act"), the County has submitted to the Debt Management Commission of Washoe County (the "DMC") the County's proposal to issue its general obligation golf course bonds additionally secured by pledged revenues in the maximum aggregate principal amount of \$3,000,000 (the "Proposal") and the DMC has heretofore approved the Proposal; and

WHEREAS, subsection 3 of NRS 350.020 provides that 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, the municipality may incur the obligation without an election unless within 60 days after publication of a resolution of intent to issue the bonds a petition is presented to the governing body which meets the requirements of NRS 350.020(3); and

WHEREAS, the Board has determined and does hereby determine that, based upon the studies and reports pertaining thereto, the Net Revenues (as defined herein) of the Golf Course Facilities (the "Pledged Revenues") will at least equal the amount required in each year for the payment of the interest on and principal of the Bonds proposed to be issued pursuant to the Proposal; and

WHEREAS, pursuant to a resolution passed and adopted by the Board, notice of adoption of that resolution of intent to issue the golf course bonds was published in a newspaper of general circulation in the County, and the time within which to present a petition to the Board requesting an election has expired; and

WHEREAS, by resolution, the Board provided for the public sale of the "Washoe County, Nevada General Obligation, (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997" (the "Bonds") and the County intends to authorize the issuance and sale of the Bonds; and

WHEREAS, after receiving bids for the purchase of the Bonds, the Assistant County Manager, Finance Division is hereby authorized to sell the Bonds to the best bidder therefor (the "Purchaser") and to accept a binding bid for the Bonds; and

WHEREAS, the Bonds are to bear interest at the rates per annum provided in the bond purchase proposal submitted by the Purchaser (the "Bond Purchase Proposal") and accepted by the Assistant County Manager, Finance Division, be sold at a price equal to the principal amount thereof plus accrued interest to the date of delivery of the Bonds, less a discount or a premium not to exceed 9 percent of the principal amount of the Bonds, all as specified in the Certificate of the Assistant County Manager (defined below) in the principal amount set forth in the Certificate of the Assistant County Manager, Finance Division dated on or before the date of delivery of the Bonds (the "Certificate of the Assistant County Manager"), which purchase price does not result in an effective interest rate on the Bonds in excess of 3% over the "Index of Twenty Bonds" which was most recently published in The Bond Buyer before the time the Bond Purchase Proposal was accepted for the Bonds; and

WHEREAS, the Bonds are being issued pursuant to NRS 350.500 to 350.720, inclusive, cited in § 350.500 thereof by the short title "Local Government Securities Law" (the "Bond Act"), which recital shall be conclusive evidence of their validity and the regularity of their issuance; and

WHEREAS, the County has never pledged nor in any way hypothecated the Pledged Revenues to the payment of any bonds or for any other purpose; and

WHEREAS, the County has determined and hereby determines that it is necessary and in the best interests of the County and its citizens that the Golf Course Facilities be improved; and

WHEREAS, there have been filed with the County Clerk:

A. the form of a Continuing Disclosure Certificate to be dated as of the date of delivery of the Bonds (the "Continuing Disclosure Certificate"); and

B. the form of preliminary official statement (the "Preliminary Official Statement"); and

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

WHEREAS, the Board has found and determined and hereby declares:

A. This Ordinance pertains to the sale, issuance, and payment of the 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 Board (excluding from any such computation any vacancy on the Board 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 instrument 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, TRANSMITTAL, AND EFFECTIVE DATE

Section 101. Short Title. This ordinance shall be known as and may be designated by the short title "1997 Golf Course 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) "acquire" or "acquisition" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or any combination thereof, of any properties relating to the Project, or an interest therein, or any other properties herein designated.

(2) "Acquisition Fund" means the special account designated as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Project Construction and Other Acquisition Fund," created in § 401C hereof.

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

Year in which such bonds are so required to be redeemed, rather than in the Bond Year in which the stated maturity of such bonds occurs.

(4) "Assistant County Manager, Finance Division" means the de jure or defacto Assistant County Manager, Finance Division, or her successor in functions, if any.

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

(6) "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.

(7) "Bond Fund" means the special account designated as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Pledged Revenues Interest and Principal Retirement Fund," created in § 401A hereof, and required to be accumulated and maintained in § 606 hereof which shall be held separate and apart from the Golf Course Fund.

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

(9) "Bonds" means the securities issued hereunder and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997."

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

(11) "Chairman" means the de jure or de facto chairman of the Board of County Commissioners, or his successor in functions, if any.

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

(13) "combined maximum annual principal and interest requirements" means the greatest of the annual principal and interest requirements to be paid on the Outstanding Bonds and any Outstanding parity securities during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. If any Outstanding Bonds or Outstanding Parity securities are subject to variable interest rates, for the purpose of such calculation, such interest rates shall be determined by an Independent Accountant or the Assistant County Manager, Finance Division. Any such computation shall be adjusted as provided in § 803C hereof, and shall be made by an Independent Accountant or the Assistant County Manager, Finance Division if expressly so required.

(14) "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; and such term includes, without limitation, any "trust bank" as herein defined.

(15) "Comparable Bond Year" means, in connection with any Fiscal Year, the Bond Year which ends in the Fiscal Year. For example, for the Fiscal Year commencing on July 1, 1997, the Comparable Bond Year commences on September 2, 1997 and ends on September 1, 1998.

(16) "Cost of the Project" means all or any part designated by the County of the cost of the Project, or interest in the Improvements being acquired, which cost, at the option of the County, 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 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 Bonds of any interest on the Bonds or other securities for any period not exceeding the period estimated by the County to effect the Project plus one year, of any discount on the Bonds or other securities, and of any reserves for the payment of the principal of and interest on the Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the 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 Bonds or other securities relating to the Project;

(i) The costs of funding any emergency loans, 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 County.

(17) "County" means the County of Washoe in the State, and constituting a political subdivision thereof, or any successor municipal corporation; and where the context so indicates, either such term means the geographical area comprising the County of Washoe.

(18) "County Bond Law" means Nevada Revised Statutes 244A.011 to 244A.065, inclusive, as amended.

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

(20) "Events of Default" means the events stated in § 1103 hereof.

(21) "Facilities Revenues" means the gross revenues derived from the operation of the Golf Course Facilities.

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

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

(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, 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, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, General Tax Interest Fund," created in § 501 of this Ordinance.

(26) "General Tax Principal Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, General Tax Principal Fund," created in § 501 of this Ordinance.

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

(28) "Gross Revenues" means the Facilities Revenues excluding:

(a) any moneys borrowed and used for the acquisition of capital improvements; and

(b) any moneys received as grants, appropriations, or gifts from the United States, the State, or other sources, the use of which is limited by the grantor or donor to the construction of capital improvements for the Golf Course Facilities, except to the extent any such moneys shall be received as payments for the use of the Golf Course Facilities.

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

(30) "Interest Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997 Pledged Revenues Interest and Principal Retirement Fund," created in § 401 hereof.

(31) "improve" or "improvement" means the extension, widening, lengthening, betterment, alteration, reconstruction or other major improvement, or any combination thereof, of the Project, or the acquisition of any properties relating to the

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

(32) "Improvements" means that which is constructed, equipped and otherwise acquired by the Project.

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

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

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

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

(34) "NRS" means Nevada Revised Statutes.

(35) "Net Revenues" means Gross Revenues remaining after the deduction of the Operation and Maintenance Expenses of the Golf Course Facilities.

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

(37) "Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining, and repairing the Golf Course Facilities and includes, without limitation:

(a) Engineering, auditing, reporting, legal, and other overhead expenses relating to the administration, operation, and maintenance of the Golf Course Facilities;

(b) Fidelity bond and property and liability insurance premiums pertaining to the Golf Course Facilities, or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Golf Course 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 such 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 Golf Course Facilities, revenues therefrom, or the County's income from or operations of any properties under its control and pertaining to the Golf Course Facilities, or any privilege in connection with the Golf Course Facilities or its operation;

(e) The reasonable charges of the Paying Agent, Registrar and any other depository bank pertaining to the Bonds and any other securities payable from Pledged Revenues or otherwise pertaining to the Golf Course Facilities;

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

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

(h) Any costs of utility services furnished to the Golf Course Facilities;

(i) Any lawful refunds of any Pledged Revenues; and

(j) All other administrative, general, and commercial expenses pertaining to the Golf Course 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 Golf Course 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, pertaining to the Golf Course Facilities, or otherwise; and

(vii) Excluding any liabilities imposed on the County for any ground of legal liability not used on contract, including, without limitation, negligence in the operation of the Golf Course Facilities.

(38) "Outstanding" when used with reference to the Bonds or any other designated securities and as of any particular date (but not "outstanding bonds" as hereafter defined) means all the Bonds or any such other securities payable from the Pledged Revenues or otherwise relating to the Project, as the case may be, in any manner theretofore and thereupon being executed and delivered:

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

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

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

(d) Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to §§ 306 or 1209 hereof.

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

(40) "parity bonds" or "parity securities" means bonds or securities which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds herein authorized.

(41) "Paying Agent" means Norwest Bank of Arizona, N.A., or any successor commercial bank which may be appointed from time to time as paying agent for the Bonds.

(42) "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.

(43) "Pledged Revenues" means all income and revenue derived by the County from the Net Revenues. Pledged Revenues means all or a portion of the Net Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification.

(44) "Principal Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Principal Fund," created in § 401 hereof.

(45) "Project" means the acquisition, improvement, equipment, operation and maintenance of the County's Golf Course Facilities.

(46) "Purchaser" means the purchaser identified in preambles hereof.

(47) "Rebate Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Rebate Fund" created in § 608 hereof.

(48) "Golf Course Fund" means the special account designated as the "Washoe County, Nevada, Pledged Revenues Golf Course Fund," created in § 603 hereof which shall be held separate and apart from the Bond Fund.

(49) "Golf Course Facilities" means the County's Golf Course Facilities, including, but not limited to, golf courses, club houses, related restaurants and golf shops, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County through purchase, construction or otherwise, and used in connection with such golf course facilities of the County, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such Golf Course Facilities are from time to time extended, bettered or otherwise improved, or any combination thereof which are financed with the proceeds of the Bonds or that may hereafter be financed with any superior securities, parity securities or subordinate securities which are expressly included within the definition of Golf Course Facilities.

(50) "Redemption Date" means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from any Pledged Revenues in any mandatory redemption schedules, or in any notice of prior redemption or otherwise fixed and designated by the County.

(51) "Redemption Price" means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security's terms.

(52) "Registrar" means Norwest Bank of Arizona, N.A., or any successor commercial bank which may be appointed from time to time as registrar for the Bonds.

(53) "Regular Record Date" means the 15th day of the calendar month next preceding each interest payment date.

(54) "Special Record Date" means a special date fixed by the Paying Agent to determine the names and addresses of owners of the Bonds for the payment of any defaulted interest on any of the Bonds, as further provided in § 302 hereof. At least 10 days' notice will be given by the Paying Agent by first-class regular mail to each owner of a Bond as stated on the Registrar's registration list at the close of business on a date fixed by the Paying Agent, stating the date of the Special Record Date and the due date fixed for the payment of such defaulted interest.

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

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

(57) "superior bonds" or "superior securities" means special obligation bonds or special obligation securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds herein authorized.

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

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

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

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

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

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

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

Section 103. Successors. Whenever herein the County is named or is referred to, such provision shall be deemed to include any successors of the County, respectively, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the County 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 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 Paying Agent, the owners from time to time of the Bonds, and the owners of any other securities payable from Pledged Revenues when reference is expressly made thereto, as well as the County)

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 Paying Agent, any owner of any Bonds and any owner of any such other security in the event of such a reference.

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

Section 106. 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 (subject to the provisions of § 1001 and of Article XII hereof), if any Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, except as herein otherwise expressly provided.

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

Section 108. Severability. If any section, subsection, paragraph, clause or other provision of this 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.

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

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

C. Estimated Life. The estimated life or estimated period of usefulness of the Improvements to be acquired with the proceeds of the Bonds is not less than 20 years from September 1, 1997; and

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

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

Section 204. Acceptance of Bond Purchase Proposal; Authorization of Use of Preliminary Official Statement and Official Statement. In accordance with the County Bond Law and with this Ordinance, the Assistant County Manager, Finance Division is authorized to accept the Bond Purchase Proposal submitted for the purchase of the Bonds after the public sale of the Bonds. The County hereby ratifies the preparation and distribution of the Preliminary Official

Statement with respect to the Bonds and deems such Preliminary Official Statement final as of its date except for the dated date and except for the omission of information dependent upon the pricing of the issue, such as offering prices, interest rates, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on the foregoing matters. The Assistant County Manager, Finance Division is hereby authorized and directed to execute and deliver, on behalf of the County, the final official statement, with such changes or additions as such officer determines is necessary or appropriate, the approval of such changes or additions to be conclusively evidenced by the execution and delivery of the final official statement by such officer.

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

Section 206. Estimated Cost of Project. The cost of the Project is estimated not to exceed the principal amount of the Bonds, excluding any such cost defrayed or to be defrayed by any source other than the proceeds of the Bonds.

Section 207. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the County shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 208. General Obligations. The full faith and credit of the County are pledged to the payment of the Bond Requirements of the Bonds; the Bonds shall constitute general obligations of the County and the Bond Requirements of the Bonds shall be payable from General Taxes on all taxable property within the County (except to the extent any Pledged Revenues or other moneys are available therefor) subject to the limitations imposed by the Constitution and statutes of the State.

Section 209. Irrevocable Pledge. The payment of the Bond Requirements of the Bonds is additionally secured by an irrevocable pledge of and by a lien (but not necessarily an

exclusive or first lien) on the Pledged Revenues, after provision is made for the payment of the operation and maintenance expenses of the Golf Course Facilities.

Section 210. No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the County, except the proceeds of the Pledged Revenues. No property of the County, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 211. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other instrument relating thereto, against any individual member of the County or any officer or other agent of the County, past, present or future, either directly or indirectly through the County or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Authorization of Bonds. The "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997," in the aggregate principal amount set forth in the Certificate of the Assistant County Manager, are hereby authorized to be issued, pursuant to the County Bond Law and the Bond Act; and the County pledges irrevocably, but not necessarily exclusively, the Net Revenues to the payment of the Bond Requirements of the Bonds, the proceeds of the Bonds to be used solely to defray wholly or in part the cost of the Project.

Section 302. Bond Details. The Bonds shall be issued payable in fully registered form, i.e., registered as to both principal and interest and shall be dated as of September 1, 1997. Except as provided in § 307 hereof, the Bonds shall be issued in the denominations of \$5,000 and any integral multiples thereof (but no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual Bond will be issued for more than one maturity). The Bonds shall bear interest at the rates set forth in the Certificate of the Assistant County Manager from their date until their respective fixed maturity dates, payable on March 1 and September 1 of each year, commencing on March 1, 1998, except that Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at such rates from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of, the Bonds. The Bonds shall mature on September 1, in the years and in the designated amounts as set forth in the Certificate of the Assistant County Manager. The Bonds shall mature within 20 years of their date.

The principal of and redemption premium, if any, on any Bond, shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent, or such other office as designated by 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 the Bond

until the principal thereof is paid in full. Except as provided in § 307 hereof, payment of interest on any Bond shall be made to the registered 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 registered owner thereof at his or her address as shown on the registration records kept by the Registrar at the close of business on the Regular Record Date for such interest payment date; 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 Paying Agent whenever money becomes 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 10 days prior thereto by first-class mail to each such registered owner as shown on the Registrar's registration records on 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 upon 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.

Section 303. Prior Redemption.

A. Optional Redemption. The Bonds maturing on or before the date designated in the Certificate of the Assistant County Manager are not subject to prior redemption. Bonds, or portions thereof, maturing on and after the date designated in the Certificate of the Assistant County Manager shall be subject to redemption prior to their respective maturities, at the option of the County, on and after the date designated in the Certificate of the Assistant County Manager, in whole or in part at any time, from such maturities as are selected by the County, and if less than all of the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be redeemed by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), in such manner

as the Paying Agent may determine, for the principal amount of each Bond or portion thereof so redeemed and accrued interest thereon to the redemption date.

B. Mandatory Redemption. The Bonds maturing on September 1 of the years set forth in the Certificate of the Assistant County Manager (the "Term Bonds") are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As and for a sinking fund for the redemption of the Term Bonds, there shall be deposited into the Bond Fund on or before September 1 of the years set forth in the Certificate of the Assistant County Manager, a sum which, together with other moneys available in the Bond Fund, is sufficient to redeem the Term Bonds plus accrued interest to the redemption date, on September 1 of the years and in the principal amounts as set forth in the Certificate of the Assistant County Manager.

Not more than sixty days nor less than thirty days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all Outstanding Term Bonds of a series, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next September 1, and give notice of such call as provided in Section 304 of this Ordinance.

At the option of the County to be exercised by delivery of a written certificate to the Registrar not less than sixty days next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the County or, (ii) specify a principal amount of Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portions thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the

principal amount thereof against the obligation of the County on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the County determines. 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 respective Term Bonds or portions thereof to be canceled or in the event the Bonds are registered in the name of Cede & Co. as provided in Section 307 of this Ordinance, the certificate required by the first sentence of this paragraph shall be accompanied by such direction and evidence of ownership as is satisfactory to The Depository Trust Company.

C. Partial Redemption. If any Bond is in a denomination larger than \$5,000, a portion of such Bond (\$5,000 of principal amount thereof, or any integral thereof) may be redeemed pursuant to subsection A hereof, as appropriate, in which case the Registrar, except as provided in § 307 hereof, shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. In the case of a partial redemption of Bonds of a single maturity pursuant to subsection A hereof, the Paying Agent shall select the Bonds to be redeemed by lot at such time as directed by the County (but at least 30 days prior to the redemption date), and if such selection is more than 60 days before a redemption date, shall direct the Registrar to appropriately identify the Bonds so called for redemption by stamping them at the time any Bond so selected for redemption is presented to the Registrar for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Registrar and any Bond or Bonds issued in exchange for, or to replace, any Bond so called for prior redemption shall likewise be stamped or otherwise identified.

Section 304. Redemption Notice. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by certified or registered mail as long as the nominee of a securities depository is the registered owner of the Bonds, and otherwise by first class, postage prepaid mail, at least 30 days but not more than 60 days prior to the Redemption Date to the registered owner of any Bond (initially Cede & Co.) all or a part of which

is called for prior redemption at his or her address as it last appears on the registration records kept by the Registrar. The notice shall identify the Bonds and state that on such date the principal amount thereof, and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the Redemption Date being payable by mail or as otherwise provided in this Ordinance), and that after such Redemption Date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of mailed notice by any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice by mailing to the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate by the Registrar that notice of call and redemption has been given as provided in this Section shall be conclusive as against all parties; and no owner whose Bond is called for redemption or any other owner of any Bond may object thereto or may object to the cessation of interest on the Redemption Date on the ground that he failed actually to receive such notice of redemption.

Section 305. Negotiability. Subject to § 307 hereof and to the registration provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each owner shall possess all rights enjoyed by owners of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 306. Registration, Transfer and Exchange of Bonds. Except as otherwise provided in § 307 hereof:

A. Registration and Transfer. Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer 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 registered owner or his 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 § 302 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the registered 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 County or 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 authenticity each new Bond. No such charge shall be levied in the case of an exchange resulting from an optional or mandatory prior redemption of a Bond.

B. Limitations upon Registration. The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for redemption as herein provided.

C. Effect of Registration. The person in whose name any Bond shall be registered, in the registration records kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof (except to the extent otherwise provided in § 302 hereof with respect to interest payments) and for all other purposes; 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 registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitation provided herein. 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.

D. Replacement of Bond. 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, the Registrar 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 or shall have been called for redemption, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

E. Cancellation of Bond upon Payment or Reissuance. 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 cancellation shall be furnished by the Paying Agent or Registrar to the County Treasurer and the County, upon request.

Section 307. Custodial Deposit.

A. Notwithstanding the foregoing provisions of §§ 302 to 306 hereof, the Bonds shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in subsection 3 of NRS § 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this subsection A, or a determination by the County that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the County of another depository institution acceptable to the County and to the depository then holding the Bonds, which new depository institution must

be both a "clearing corporation" as defined in subsection 3 of NRS § 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this subsection A, or a determination of the County that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the County, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of subsection A hereof or designation of a new depository pursuant to clause (2) of subsection A hereof, upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of subsection A hereof, and upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of § 302 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions: however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The County, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof

and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the County, the Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds (the "Beneficial Owners") held by The Depository Trust Company or any successor or new depository named pursuant to subsection A hereof.

D. The County, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of subsection A hereof in effectuating payment of the Bond Requirements of the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Upon any partial redemption of any maturity of the Bonds, Cede & Co. (or its successor), in its discretion may request the County to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment.

Section 308. Execution of Bonds. The Bonds shall be executed as follows:

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

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

C. Authentication. 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 or employee sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds delivered pursuant to the Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

Section 309. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that before the delivery thereof and the payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Each the Chairman of the Board, the County Treasurer and County Clerk, at the time of the execution of the Bonds and of a signature certificate pertaining thereto by the Chairman of the Board, the Treasurer and the County Clerk, respectively, may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 310. Incontestable Recital in Bonds. Pursuant to § 350.628, Bond Act, each Bond shall recite that it is issued pursuant to the County Bond Law, the Bond Act and the Supplemental Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 311. State Tax Exemption. Pursuant to § 350.710, 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, except for the tax on estates imposed pursuant to chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to chapter 375B of NRS.

Section 312. Bond Execution. The Chairman of the Board of County Commissioners, the County Treasurer, and the County Clerk are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

Section 313. Bond Delivery. After such registration of the Bonds by the Treasurer and Registrar pursuant to § 306 and after their execution and authentication pursuant to § 308 and other provisions herein supplemental thereto, the Treasurer shall cause the Bonds to be delivered to the Purchaser thereof, upon payment being made therefor on the terms of the sale of the Bonds.

Section 314. Bond Form. Subject to the provisions of this Ordinance, each Bond shall be in substantially the following form with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this 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)
 (ADDITIONALLY SECURED BY PLEDGED REVENUES)
 GOLF COURSE BONDS SERIES 1997

NO. _____

\$ _____

Interest RateMaturity DateDated As OfCUSIP_____% per
annum

September 1, ____

September 1, 1997

REGISTERED OWNER: CEDE & CO.**PRINCIPAL AMOUNT:****DOLLARS**

The County of Washoe in the State of Nevada (the "County" and the "State", respectively), for value received hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above the Principal Amount specified above, on the Maturity Date specified above (unless called for earlier redemption), and to pay interest thereon on March 1 and September 1 of each year commencing on March 1, 1998, at the Interest Rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. The principal of and redemption premium, if any, on this Bond are payable to the Registered Owner hereof upon presentation and surrender hereof at the office of Norwest Bank of Arizona, N.A., as paying agent for the Bonds (the "Paying Agent"), which is also now acting as the County's registrar for the Bonds (the "Registrar"). Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed by first class mail to the person in whose name this Bond is registered (the "Registered Owner") in the registration records of the County maintained by the Registrar and at the address appearing thereon at 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 hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Paying Agent for the Bonds 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 of the series of which this is one (the "Bonds") not less than ten days prior thereto. All payments of the principal of, interest on and redemption premiums due in connection with this Bond (the "Bond Requirements") shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent.

The Bonds are issuable solely as fully registered Bonds in denominations of \$5,000 each or any integral multiple thereof. The Bonds are exchangeable for fully registered Bonds of the same maturity in equal aggregate principal amounts and in authorized denominations at the aforesaid office of the Paying Agent and Registrar but only in the manner, subject to the limitations, and on payment of the charges provided in the County's ordinance designated by the short title "1997 Golf Course Bond Ordinance," adopted and approved on August 19, 1997 authorizing the issuance of the Bonds (the "Ordinance").

The Registrar will not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption.

The Bonds shall not be transferable or exchangeable, except as set forth in the Ordinance.

Bonds maturing on and after September 1, _____ are subject to prior redemption on and after September 1, ____ in whole at any time or in part at any time, from such maturities as are selected by the County, and if less than all off the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be redeemed by lot within a maturity, in integral multiples of \$5,000, at the option of the County, at a price equal to the principal amount of each Bond or portion thereof so redeemed plus accrued interest thereon to the redemption date.

Certain of the Bonds shall be subject to mandatory sinking fund redemption as provided in the Ordinance.

In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 of the principal amount thereof, or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

Redemption shall be made upon not less than thirty (30) days' prior notice as provided in the Ordinance.

****Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.****

****Upon any partial prior redemption of this Bond, Cede & Co., in its discretion, may request the Registrar to authenticate a new Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Paying Agent prior to payment.****

This Bond must be registered in the name of the Registered Owner as to both principal and interest on the registration records 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 records maintained at the principal office of the Registrar by the Registered Owner or his attorney duly authorized in writing.

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 making payment (except to the extent otherwise provided hereinabove and in the Ordinance with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes and the County, and Paying Agent and Registrar shall be not affected by notice to the contrary.

The Bonds are issued by the County and upon the credit thereof, for the purpose of defraying wholly or in part the cost of acquiring, equipping, constructing and improving the County's golf course facilities (the "Golf Course Facilities"), under the authority of and in full conformity with the Constitution and laws of the State and the County and pursuant to the Ordinance.

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 the provision has been made for the levy and the collection of annual general (ad valorem) taxes ("General Taxes") sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of

the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements according to the terms of this Bond.

The payment of the Bonds, as to all Bond Requirements, is additionally secured by an irrevocable pledge of revenues derived by the County from the Golf Course Facilities after provision is made for the payment from the Gross Revenues pertaining to the Golf Course Facilities of all necessary and reasonable operation and maintenance expenses of the Golf Course Facilities (the "Net Revenues" or 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 created and identified as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Pledged Revenues Interest and Principal Retirement Fund", into which account the County covenants to pay from the revenues derived from the Pledged Revenues sums sufficient to pay when due the Bond Requirements of the Bonds, except to the extent other moneys are available therefor.

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and the Bonds constitute an irrevocable lien (but not necessarily an exclusive or first lien) upon the Pledged Revenues. Bonds and other securities, in addition to the Bonds, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon superior or on a parity with the lien, of the Bonds, in accordance with the provisions of the Ordinance.

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 NRS 244A.011 to 244A.065, inclusive (the "County Bond Law"); to NRS 350.001 to 350.006 (the "DMC Act"); to a supplemental act cited as NRS 350.500 through 350.720, and all laws amendatory thereof, designated in section 350.500 thereof as the Local Government Securities Law, (the "Bond Act"); to Chapter 348 of NRS (the "Supplemental Bond Act"), and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, accounts, funds and revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights and remedies of the owners of the Bonds.

The Bonds are issued pursuant to the County Bond Law, the DMC Act, the Local Government Securities Law, and the Supplemental Bond Act, and pursuant to NRS 350.628, Local

Government Securities Law, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 350.710, Local Government Securities Law, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to chapter 375B of NRS.

To the extent and in the respects permitted by the 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 provision for the payment thereof on the terms and conditions set forth in the Ordinance.

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 County Bond Law, the Local Government Securities Law, the Supplemental Bond Act, and all laws supplemental thereto, and with the Ordinance; and that this Bond does not contravene any constitutional or statutory limitation.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise upon the Ordinance or other instrument relating thereto, against any individual member of the Board of County Commissioners of the County, any individual member of the County, or any officer or other agent of the County, past, present or future, either directly or indirectly through such 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 this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until a manual signature of a duly authorized officer of the Registrar has been affixed on the certificate of authentication hereon.

IN WITNESS WHEREOF, the County has caused this Bond to be signed and executed in its name and upon its behalf with the manual or facsimile signature of the Chairman of its Board of County Commissioners, to be countersigned and executed with the manual or facsimile signature of the County Treasurer and has caused a manual impression or a facsimile of the seal of the County to be affixed hereon; and has caused this Bond to be signed, executed and attested with the manual or facsimile signature of the County Clerk, all as of September 1, 1997.

WASHOE COUNTY, NEVADA

(Manual or Facsimile Signature)
Chairman
Board of County Commissioners

Countersigned:

(Manual or Facsimile Signature)
County Treasurer

(Manual or Facsimile Seal)

Attest:

(Manual or Facsimile Signature)
County Clerk

- * Insert only if Bonds are delivered pursuant to Section 307(A)(3) of this Ordinance.
- ** Insert only if Bonds are initially delivered to the Depository Trust Company pursuant to Section 307(A) of this Ordinance.
- *** Insert only if Term Bonds are designated.

(End of Form of Bond)

(Form of 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 records kept by the undersigned as Registrar for such Bonds.

NORWEST BANK OF ARIZONA, N.A.,
as Registrar

By: _____ (Manual Signature)
Authorized Officer

(End of Form of Certificate of Authentication for Bonds)

** (Form of Prepayment Panel)

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

<u>Date of Prepayment</u>	<u>Principal</u>	<u>Signature of Authorized Representative of DTC</u>

(End of Form of Prepayment Panel)**

*(Form of Assignment for Bonds)

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

Dated: _____

Signature Guaranteed:

Name and address of transferee:

Social Security or other tax
identification number of
transferee:

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

(End of Form of Assignment for Bonds)*

(Form of Legal Opinion Certificate)

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I, the undersigned County Clerk, County of Washoe in the State of Nevada, do hereby certify that the following approving legal opinion of Swendseid & Stern, a member in Sherman & Howard L.L.C., Attorneys at Law, to wit:

(Attorneys' approving opinion to be inserted in submargins, including complimentary closing and "/s/ Swendseid & Stern, a member in Sherman & Howard L.L.C.")

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; that manually executed and dated copies of the opinion were forwarded to a representative of the original purchasers and that the opinion was dated and issued as of the date of original delivery of and payment to the county for the Bonds of the series of which this bond is one.

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

(Manual or Facsimile Signature)
County Clerk

(End of Form of Legal Opinion Certificate)

ARTICLE IV
USE OF BOND PROCEEDS

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

A. Bond Fund. First, there shall be credited to a separate and special account hereby created and to be known as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Pledged Revenues Interest and Principal Retirement Fund", all moneys, if any, received as accrued interest on the Bonds from their sale by the County from the date of the Bonds to the date of their delivery to the Purchaser, to apply to the payment of interest on the Bonds as the same become due after their delivery, in accordance with § 606 hereof. Such Bond Fund shall be maintained by the County Treasurer separate and apart from all other County funds, including the Golf Course Fund.

B. Pursuant to NRS § 354.6105, the County shall deposit an amount into one or more separate accounts in the fund for the extraordinary maintenance, repair or improvement of capital projects, which amount, together with other available funds of the County deposited therein, equals one-half of one percent of the total amount of Bonds proceeds. Available moneys of the County or proceeds realized from the sale of the Bonds may be used for such purpose.

C. Acquisition Fund. Except as herein otherwise expressly provided, the balance of the proceeds derived from the sale of the Bonds remaining after the deposits required by subsections A and B of this section have been made, shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Project Construction and Other Acquisition Fund".

Section 402. Moneys for Project. All moneys received and held by the County for the Project from all sources, including, without limitation, the Bond proceeds deposited therein and any surplus Pledged Revenues appropriated by the County 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, including, without limitation, the costs of issuing the Bonds.

Section 403. 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, hereinabove created in § 401C hereof.

Section 404. Prevention of Bond Default. The County Treasurer shall use any Bond proceeds credited to the Acquisition Fund without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys in the Bond Fund or otherwise available therefor are insufficient for that purpose, unless the Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The County Treasurer shall promptly notify the Board of any such use. Any moneys so used shall be restored to the Acquisition Fund, from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in §§ 603 through 610 hereof.

Section 405. 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, the County Treasurer shall cause to be transferred to the Bond Fund all surplus moneys remaining in the Acquisition Fund, if any, except for any moneys designated 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 Bonds. Nothing herein:

A. Periodic Transfers. Prevents the Treasurer from causing to be transferred from the Acquisition Fund to the Bond Fund any moneys which will not be necessary for the Project; nor

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

Section 406. 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 acquisition of the Improvements, or any part thereof, or to the completion of the Project. The Purchaser of the Bonds, any associate thereof, and any subsequent owner of any Bonds shall in no manner be responsible for the application or disposal by the County or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 407. Lien on Bond Proceeds. Until proceeds of the Bonds are applied as hereinabove provided the Bond proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the owners of the Bonds from time to time as provided in § 601 hereof.

ARTICLE V
GENERAL TAXES

Section 501. General Tax Levies. Pursuant to § 350.596, Bond Act, if necessary, the Bond Requirements of the Bonds falling due on and before the first day of May, 1995, 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 the payment thereafter of the Bonds and the interest thereon there are hereby created the following separate and special accounts to be known respectively as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, General Tax Principal Fund" (the "General Tax Principal Fund") and as the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, 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 1994, 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 fully sufficient to reimburse such funds for such installments of Bond Requirements, together with the revenue which will result from application of the rate to the net proceeds of minerals, to pay the interest on the Bonds, and to pay and retire the same as hereinabove provided, and after there are made due allowances for probable delinquencies. The proceeds of the annual levies shall be duly credited to such separate accounts for the payment of the Bond Requirements, including any mandatory sinking fund payments required by the provisions of this Ordinance, if any. In the preparation of the annual budget or appropriation resolution or ordinance for the County, the Authority shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the County, including, without limitation, the Bonds, subject to the limitations imposed by NRS 361.453 and § 2, Article 10, Nevada Constitution, and the amount of

money necessary for this purpose shall be a first charge against all the revenues received by the County.

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

Section 503. Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other General Taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept by the Treasurer in the General Tax Principal Fund and in the General Tax Interest Fund, which shall be used for no other purpose than the payment of principal of and interest on the Bonds and any other parity securities hereinafter issued in accordance with § 913 hereof, respectively, as the same fall due.

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

Section 505. 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 mature, including, without limitation, the payment of the Bonds as

provided in § 604 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 506. Legislative Duties. In accordance with § 350.592 Bond Act, and NRS 361.463, it shall be the duty of the Authority annually, at the time and in the manner provided by law for levying other General Taxes of the County, if such action shall be necessary to effectuate the provisions of this Ordinance, to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the Authority shall require the officers of the County to levy, extend and collect such General Taxes in the manner provided by law for the purpose of creating funds for the payment of the principal of the Bonds and interest thereon. Such General Taxes when collected shall be kept for and applied only to the payment of the principal of and the interest on the Bonds, as hereinbefore provided.

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

ARTICLE VI

ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 601. Pledge Securing Bonds. Subject only to the right of the County to cause amounts to be withdrawn to pay the Cost of the Project as provided herein, the Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any account under this article or under § 401 hereof, excluding, however, all amounts held in the Rebate Fund, are hereby pledged to secure the payment of the Bond Requirements of the Bonds; and this pledge shall be valid and binding from and after the date of the first delivery of any Bonds, and the moneys, as received by the County and 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, except for any Outstanding securities hereafter authorized the liens of which on the Pledged Revenues are superior to or on a parity with the lien thereon of the Bonds; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the County (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 602. Golf Course Fund Deposits. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the Pledged Revenues, upon their receipt from time to time by the County, shall continue to be set aside and credited immediately to a special fund hereby created and designated as the "Washoe County, Nevada, Pledged Revenues Golf Course Fund" (the "Golf Course Fund"). Such Golf Course Fund shall be maintained by the County Treasurer separate and apart from all other County funds, including the Bond Fund.

Section 603. Administration of Golf Course Fund. So long as any of the Bonds hereby authorized shall be Outstanding, as to any Bond Requirements, each Fiscal Year the Golf Course Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in §§ 604 through 610 hereof.

Section 604. Operation & Maintenance Expenses. First, as a charge on the Golf Course Fund, from time to time there shall be set aside in and credited to a separate account created hereby, and known as the "Washoe County, Nevada, Golf Course Facilities Operation and Maintenance Fund") (the "Operation and Maintenance Fund"), moneys sufficient to pay operation and maintenance expenses as budgeted and approved in accordance with the Budget Act, and all laws supplemental thereto, as such expenses become due and payable, and thereupon they shall be promptly paid. Any surplus remaining at the end of the Fiscal Year and not needed for operation and maintenance expenses shall be used in the same manner as moneys in the Golf Course Fund are used.

Section 605. Superior Securities. Second, and subject to the aforesaid provisions, from any moneys remaining in the Golf Course Fund, to pay, when due, the bond requirements of any outstanding superior securities hereafter issued in accordance with this Ordinance and the requirements of any reserve fund therefor.

Section 606. Bond Fund Payments. Third, from any moneys remaining in the Golf Course Fund, the following transfers shall be credited to the Bond Fund:

A. Monthly, commencing on October 1, 1997, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, including, without limitation, the moneys, if any, provided in § 401A hereof, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

B. Monthly, commencing on October 1, 1997, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available

therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, or subject to mandatory sinking fund redemption, if any. The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due, including any mandatory sinking fund payments, if any.

Section 607. Termination of Deposits and Defraying Delinquencies. No payment need be made into the Bond Fund, or if the amount in the Bond Fund totals a sum at least equal to the entire amount of the Outstanding Bonds as to all Bond Requirements, to their respective maturities, and both accrued and not accrued, in which case moneys in that account in an amount at least equal to such Bond Requirements shall be used solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the County.

Section 608. Rebate Payments. Fourth, and subject to the provisions hereinabove in this Article, there shall be transferred into the "Washoe County, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Golf Course Bonds Series 1997, Rebate Fund," hereby created, after making in full the monthly deposits required by §§ 605 and 606, but prior to the transfer of any Pledged Revenues to the payment of subordinate securities, such amounts as are required to be deposited therein to meet the County's obligations under the covenant contained in § 921 hereof, in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Fund shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Fund in excess of those required to be on deposit therein by § 921 hereof and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose relating to the Project.

Section 609. Payment of Additional Securities. Fourth, and subject to the provisions hereinabove in this Article, and in Article VIII hereof, any moneys remaining in the Golf Course Fund may be used by the County for the payment of Bond Requirements of additional bonds or other additional securities payable from the Pledged Revenues and hereafter authorized to be issued in accordance with Article VIII and any other provisions herein supplemental thereto,

including reasonable reserves for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities shall be on a parity with or subordinate to the lien and pledge of the Bonds as herein provided. Payments for bond funds for parity securities shall be made concurrently with the payments required by § 606 hereof, but payments for bond funds for additional subordinate securities shall be made after the payments required by §§ 604 to 608 hereof.

Section 610. Use of Remaining Revenues. After the payments hereinabove required to be made in this Article VI are made, any remaining Pledged Revenues in the Golf Course 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, to the Rebate Fund, and to each other security fund and reserve fund, if any, for the payment of any other securities payable from the Pledged Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided in this Article, for any one or any combination of lawful purposes, as the County may from time to time determine, including, without limitation, for golf course facilities and the creation of capital reserves, the payment of capital costs and maintenance costs therefor, the payment of any Bond Requirements of any bonds or other securities relating to the Project, general obligations or special obligations, and regardless of whether the respective proceedings authorizing or otherwise relating to the issuance of the securities provides for their payment from Pledged Revenues.

ARTICLE VII
GENERAL ADMINISTRATION

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

Section 702. Places and Times of Deposits. Each of the special accounts hereinabove designated in Articles IV and VI hereof shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor, and the moneys accounted for in such special book accounts shall be deposited in one bank account or more in a commercial bank or commercial banks as determined and designated by the County (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 Project or any other County accounts in any bank account or any investment in Federal Securities hereunder. Each bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then the payment shall be made on or before the next preceding secular day. Notwithstanding any other provision herein to the contrary, moneys sufficient to pay the Bond Requirements then coming due on the Outstanding Bonds 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 703. Investment of Moneys. Any moneys in any account designated in Articles IV and VI hereof, and not needed for immediate use, may be invested or reinvested by the County Treasurer in any investments permitted under State law, unless the Bonds are insured by a municipal bond insurance policy, in which case such moneys may be invested or reinvested by the County Treasurer in any investments permitted by the insurer of the Bonds which are also permitted under State law (the "Permitted Securities").

Section 704. Required and Permissive Investments. The County Treasurer shall not have any obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceeds \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In that event the County Treasurer shall invest or reinvest in Permitted Securities to the extent practicable not less than substantially all the amount which will not be needed during such 60-day period. The County Treasurer may invest or reinvest any moneys on hand at any time as provided in § 703 hereof even though the County Treasurer is not obligated to do so.

Section 705. Accounting for Investments. The Permitted 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. Except as herein otherwise provided, any interest or other gain in any account resulting from any such investments and reinvestments in Permitted Securities shall be credited to that fund, and any loss in any account resulting from any such investments and reinvestments in Permitted shall be charged or debited to that Fund. No loss or 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 for any purpose hereunder, except as herein otherwise expressly provided, Permitted shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation) and other bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the County until such gain is realized. The expenses of purchase, safekeeping, sale and all other expenses incident to any investment or reinvestment of moneys pursuant to this Article shall be accounted for as an expense of the Project and charged to the Acquisition Fund.

Section 706. Redemption or Sale of Permitted Securities. The County Treasurer having jurisdiction over moneys designated herein shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any Permitted Securities 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 County 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 707. Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States or Permitted Securities, or both.

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

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

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

ARTICLE VIII
SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 801. Lien of Bonds. The Bonds authorized herein constitute an irrevocable lien (but not necessarily an exclusive or first lien) upon the Pledged Revenues.

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

Section 803. Issuance of Superior or Parity Securities. Nothing herein, subject to the limitations stated in § 811 hereof, prevents the issuance by the County of additional bonds or other additional securities payable from the Pledged Revenues and constituting a lien thereon superior to or on a parity with, the lien thereon of the Bonds, nor prevents the issuance of bonds or other securities refunding all or a part of the Bonds (or funding or refunding any other then Outstanding securities payable from Pledged Revenues), except as provided in §§ 807 through 811 hereof; but before any such additional superior bonds or superior securities or other additional parity bonds or additional parity securities are authorized or actually issued (excluding any superior refunding securities or parity refunding securities other than any securities refunding subordinate bonds or other subordinate securities, as permitted in § 810C hereof):

A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the County shall not be in default in making any payments required by §§ 604, 605, 606 or 608 hereof with respect to any superior or parity securities.

B. Earnings Test. Except as hereinafter otherwise provided:

(1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of the additional parity securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements to be paid during any one Fiscal Year of the Outstanding Bonds and any other Outstanding superior securities or parity securities of the County and the bonds or other securities proposed to be issued and the bonds or other securities proposed to be issued; or,

(2) the Pledged Revenues estimated by the Assistant County Manager, Finance Division or an Independent Accountant to be derived in the later of (a) the first Fiscal Year in which the additional parity or superior securities are issued or (b) the first year in which principal or interest are payable on the additional parity or superior securities from proceeds of the Pledged Revenues, will be sufficient to pay an amount at least equal to the combined maximum annual principal and interest requirements to be paid during any one Fiscal Year of the Outstanding Bonds and any other Outstanding superior securities or parity securities of the County and the bonds or other securities proposed to be issued.

C. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether or not additional superior or parity securities may be issued as provided in subsection B(2) of this Section, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Assistant County Manager, Finance Division or Independent Accountant making the computations under this Section, which loss or gain results from (i) the construction and operation of the Project being constructed with the proceeds of the proposed parity securities, or (ii) any change in any schedule of fees, rates and other service charges pertaining to the Golf Course Facilities and the Pledged Revenues, during the next preceding Fiscal Year as if such modified schedule of fees, rates and other service charges had

been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the Board before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year. Projected changes in such schedule which have been approved by the Board may to take into account in calculating the projected earnings test.

D. Reduction of Annual Requirements. The respective annual Bond Requirements (including as such a requirement not only the principal of and interest on the securities but also the amount of any prior redemption premiums due on any Redemption Date as of which the County shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of securities for payment) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any trust bank, including the known minimum yield from any investment in Federal Securities.

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

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

Section 806. Superior Securities Permitted. Nothing herein, subject to the limitations stated herein, prevents the County from issuing additional bonds or other additional securities payable from the Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Bonds.

Section 807. Issuance of Refunding Securities. At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the County shall find it desirable to refund any Outstanding Bonds or other Outstanding securities payable from and constituting a lien upon any Pledged Revenues, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the County's option upon proper call, unless the owner or owners of all such Outstanding Bonds or other securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided in §§ 806 and 808 through 811 hereof).

Section 808. Partial Refundings. The refunding bonds or other refunding securities so issued, unless issued as subordinate securities, shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

Section 809. Limitations Upon Refundings. Any refunding bonds or other refunding securities payable from any Pledged Revenues shall be issued with such details as the County may by instrument provide, subject to the provisions of § 811 hereof, and subject to the inclusion of any such rights and privileges designated in § 808 hereof, but without any impairment of any contractual obligation imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

Section 810. Protection of Securities Not Refunded. If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

A. Requirements Not Increased. Unless the refunding securities do not increase for any 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 Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

B. Subordinate Lien. Unless the lien on any 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 § 803 hereof (including subsections A through D thereof) and § 804 hereof.

Section 811. Supplemental Ordinance. Additional bonds or other additional securities payable from the Pledged Revenues shall be issued only after authorization thereof by a supplemental instrument of the County stating the purpose or purposes of the issuance of the additional bonds or other additional securities, 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, payment dates, any prior redemption privileges of the County with respect thereto and other provisions thereof not in conflict with this Ordinance. All additional bonds or other additional securities 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 at such times, 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 instrument or other document of the County.

ARTICLE IX

MISCELLANEOUS PROTECTIVE COVENANTS

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

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

Section 903. 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 confirming all and singular the rights, the 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 County Bond Law, the DMC 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 Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every owner of any Bonds against all claims and demands of all Persons whomsoever.

Section 904. Conditions Precedent. Upon the date of issuance of any Bonds, all conditions, acts and things required by the Constitution or statutes of the State, including without limitation, the County Bond Law, the DMC Act, the Bond Act, or this Ordinance, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the

County, shall not contravene any debt or other limitation prescribed by the State Constitution or statutes.

Section 905. Covenant to Perform. The County shall observe and perform all of the terms and conditions contained in this Ordinance and the County Bond Law, 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 Project, to any such other facilities, or to the County.

Section 906. Protective Security. The County and the officers, agents and employees of the County shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of any Bond or other security payable from the Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 907. Accumulation of Interest Claims. In order to prevent any accumulation of coupons or claims for interest after maturity, the County shall not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest on any of the Bonds or any other securities payable from the Pledged Revenues; and the County shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such coupons or other claims for interest. If the time for the payment of any such coupons or of any other such installment of interest shall be extended in contravention of the foregoing provisions, such coupon or installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of all Bonds and any such other securities then Outstanding and of all matured interest on such securities the payment of which has not been extended.

Section 908. Prompt Payment of Bonds. The County shall promptly pay the Bond Requirements of every Bond issued hereunder and secured hereby at the places, on the dates, and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 909. Use of Bond Fund. The Bond Fund shall be used solely, and the moneys credited to such account are hereby pledged, for the purpose of paying the Bond Requirements of the Bonds, subject to the provisions concerning surplus moneys in §§ 607, 608, 609, 610 and 1001 hereof.

Section 910. Additional Securities. Any other securities hereafter authorized to be issued and payable from the Pledged Revenues shall not hereafter be issued, unless the additional securities are also issued in conformance with the provisions of Articles VI and VIII hereof.

Section 911. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Project, or any part thereof, or on or against the Pledged Revenues derived or to be derived.

Section 912. Corporate Existence. The County shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the County and is obligated by law to fix and collect the Pledged Revenues as herein provided without adversely affecting to any substantial degree at any time the privileges and rights of any owner of any Outstanding Bond.

Section 913. Disposal of Property Permitted. The County, at any time or from time to time may sell, exchange, lease or otherwise dispose of any property or any interest therein constituting a part of the Golf Course Facilities which are not necessary to the receipt by the County of Pledged Revenues in an amount sufficient to meet the County's obligations hereunder.

Section 914. Treasurer's Report. If the County defaults in paying promptly the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues as the same fall due, or in the keeping of any covenants herein contained, and if such default continues for a period of 60 days, or if the Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding Bonds and any other securities (including all reserves

therefor specified in the authorizing proceedings) payable from the Pledged Revenues in the Comparable Bond Year, the County Treasurer shall (a) submit to the Board a report on such deficiency and a proposal setting forth a plan to produce Pledged Revenues in the following Fiscal Year sufficient to pay such amounts, to the extent practicable and (b) submit to the Board quarterly reports on the progress made in implementing the plan so long as such default continues or so long as the Pledged Revenues are less than the amount hereinabove designated.

Section 915. Budgets. The County 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 Project.

Section 916. Records. So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the County, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

Section 917. Maintenance and Inspection of Records. So long as any of the Bonds remain Outstanding, proper books of record and account shall be kept by the County, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Golf Course Facilities and to all moneys pertaining thereto, including, without limitation, the Pledged Revenues.

Section 918. Rate Maintenance Covenant. The County shall charge against users or against purchasers of services or commodities pertaining to the Golf Course Facilities such fee, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the County at least equal to the sum of:

- (a) an amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;
- (b) an amount equal to the debt service due in such Fiscal Year on the then Outstanding Bonds and any superior or parity securities; and
- (c) any other amounts payable from the Net Revenues and pertaining to the Golf Course Facilities, including, without limitation, any subordinate securities and any other securities

pertaining to the Golf Course Facilities, operation and maintenance reserves, capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate maintenance covenant is subject to compliance by the County with any legislation of the United States or the State or any regulation or other action taken by the Federal Government or any State agency or public body of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges due to the County as a result of the operation of the Golf Course Facilities, including, without limitation, increases in the amounts of such charges. All of such Pledged Revenues shall be subject to distribution to the payment of the Bond Requirements of all securities payable from the Pledged Revenues, including reasonable reserves therefor, as herein provided and the payment of expenses of the Project.

Section 919. Collection of Pledged Revenues. The Board, on behalf of the County, shall cause the Pledged Revenues, to be collected as soon as reasonable, shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, including without limitation, the imposition of penalties for any defaults, to the end that the Pledged Revenues shall be adequate to meet the requirements of this Ordinance and of any other instruments supplemental hereto.

Section 920. Continuing Disclosure Undertaking. The County covenants for the benefit of the holders and beneficial owners of the Bonds to comply with the provisions of the final Continuing Disclosure Certificate substantially in the form now on file with the County Clerk, to be executed by the Assistant County Manager, Finance Division and delivered in connection with the delivery of the Bonds.

Section 921. 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 project financed with the proceeds of the Bonds if such action or omission (1) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in

Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. 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.

ARTICLE X
MISCELLANEOUS

Section 1001. Defeasance. When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be due payment of any Outstanding Bond or other security 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 wholly or in part may be initially invested) to meet all Bond Requirements of the Bond or other security, as the same become due to the final maturities of the Bonds or other securities, or upon any Redemption Date as of which the County shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond or other securities for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof.

Section 1002. Delegated Powers. The Chairman of the Board, the Clerk and Treasurer of the County, 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 Bonds, including, without limitation, the printing on each Bond of a certified true copy of bond counsel's approving opinion and, if requested by the Purchaser, a statement of insurance, if applicable, pertaining to the Bonds; 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 Bonds,
- (2) The tenure and identity of the officials of the County,
- (3) The delivery of the Bonds and the receipt of the bond purchase price,
- (4) The exclusion of the interest on the Bonds from gross income for federal income tax purposes,
- (5) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity therefor, and
- (6) The accuracy and completeness of the statements made in the Final Official Statement.

Section 1003. Statute of Limitations. No action or suit based upon the Bonds 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 owner of any Bonds or other obligee regarding any such other obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Bonds are presented for payment or demand for payment of any such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any account reserved, pledged or otherwise held for the payment of any such obligation, action or suit for the collection of which has been barred, shall revert to the Golf Course Fund, unless the County 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 County deems it in the best interests of the public to do so and orders such payment to be made.

Section 1004. Evidence of Ownership. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the owner of any Bonds or other securities may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such owner in person or by his or her 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 County may, nevertheless, in its discretion require further or other proof in cases when it deems the same desirable:

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

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

Section 1005. Warranty upon Issuance of Bonds. Any 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 Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

Section 1006. Immunities of Purchaser. The Purchaser and any associate thereof are under no obligation to any holder of the Bonds for any action that they may or may not take or in respect of anything that they may or may not do by reason of any information contained in any reports or other documents received by them under the provisions of this 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 1007. 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 1008. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent so appointed shall resign, or if the County shall reasonably determine that the Registrar or Paying Agent has become incapable of performing its duties hereunder, the County may, upon notice mailed to each owner of any Bond at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent or both. Every such successor Registrar or Paying Agent shall be a trust bank. 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 hereunder. No resignation or dismissal of the Registrar or the Paying Agent may take effect until a successor is appointed. It shall not be required that the same person or institution serve as both Registrar and Paying Agent hereunder, but the County shall have the right to have the same person or institution serve as both Registrar and Paying Agent. Any successor by merger with the Registrar and Paying Agent is automatically appointed as Registrar and Paying Agent hereunder without any further action of the Board, as long as the successor otherwise

is qualified to act as Registrar and Paying Agent pursuant to this section. Any bank, trust company or national banking association into which the Registrar and/or Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust business shall be the successor of the Registrar and/or Paying Agent 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.

ARTICLE XI
PRIVILEGES, RIGHTS AND REMEDIES

Section 1101. Bondowner's Remedies. Each owner of any Bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the 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 in §§ 207 through 211 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

Section 1102. Right to Enforce Payment. Nothing in this article affects or impairs the right of any owner of any Bond to enforce the payment of the Bond Requirements due in connection with his Bond or the obligation of the County to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond.

Section 1103. Events of Default. Each of the following events is hereby declared an "event of default":

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

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

C. Incapable to Perform. The County 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 Pledged Revenues, or otherwise, including, without limitation, this Ordinance, and such failure

continues for 60 days after receipt of notice from the owners of a majority in principal amount of the Bonds then Outstanding or the insurer of the Bonds, if any;

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 Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, 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 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 owners of a majority in principal amount of the Bonds then Outstanding or the insurer of the Bonds, if any.

Section 1104. Remedies for Default. Upon the happening and continuance of any of the events of default, as provided in § 1103 hereof, then and in every case the owner or owners or not less than a majority in principal amount of the Bonds then Outstanding or the insurer of the Bonds, if any, including, without limitation, a trustee or trustees therefor, may proceed against the County and its agents, officers and employees to protect and to enforce the rights of any owner of 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 owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the County to act as it if were the trustee of an express trust, or any combination of such

remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any parity securities then Outstanding.

Section 1105. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of owners hereunder, the consent to any such appointment being hereby expressly granted by the County, receive and apply all Pledged Revenues arising after the appointment of the receiver in the same manner as the County itself might do.

Section 1106. Rights and Privileges Cumulative. The failure of any owner of any Outstanding bond to proceed in any manner herein provided shall not relieve the County or any officers, agents or employees thereof of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any owner shall not be deemed a waiver of any other right or privilege thereof.

Section 1107. Duties upon Defaults. Upon the happening of any of the events of default as provided in § 1103 hereof, the County, in addition, shall do and perform all proper acts on behalf of and for the owners of the Bonds to protect and to preserve the security created for the payment of their Bonds and to insure the payment of the Bond Requirements promptly as the same become due. During any period of default, so long as any of the Bonds issued hereunder, as to any Bond Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Pledged Revenues shall be paid into the Bond Fund, or, in the event of securities heretofore and hereafter issued and Outstanding during that period of time on a parity with the Bonds, shall be paid into the bond accounts for all parity securities on an equitable and prorated basis, and used for the purposes therein provided. If the County fails or refuses to proceed as in this Section provided, the owner or owners of not less than a majority in principal amount of the Bonds then Outstanding or the insurer of the Bonds, if any, after demand in writing, may proceed to protect and to enforce the rights of the owners of the Bonds as hereinabove provided; and to that end any such owners of Outstanding Bonds shall be subrogated to all rights of the County under any agreement, lease or other contract the Pledged Revenues entered into before the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding.

Section 1108. Prejudicial Action Unnecessary. Nothing in this article requires the County to proceed as provided therein if the County determines in good faith and without any gross abuse of its discretion that if the County so proceeds it is more likely than not to incur a net loss rather than a net gain, or the action is otherwise likely to affect materially and prejudicially the owners of the Outstanding Bonds and any Outstanding parity securities.

ARTICLE XII
AMENDMENT OF INSTRUMENT

Section 1201. Privilege of Amendments. This Ordinance may be amended or supplemented by instruments adopted by the County in accordance with the laws of the State, without receipt by the County of any additional consideration, and without notice to or the consent of the owners of any of the Bonds for any one or more of the following purposes:

A. 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 materially adversely affect the interests of the owners of the Bonds; or

B. To subject to this Ordinance additional revenues, properties or collateral as security for the Bonds.

In addition, this Ordinance may be amended for other purposes with the written consent of the owners of a majority in aggregate principal amount of the Bonds authorized by this Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding, pursuant to paragraph (4) of § 102B hereof, any Bonds which may then be held or owned for the account of the County, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the County.

Section 1202. Limitations upon Amendments. No such instrument shall permit without the written consent of all owners of the Bonds adversely and materially affected thereby:

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

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

C. Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance; or

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

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

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

Section 1203. Notice of Amendment. Whenever the County proposes to amend or modify this Ordinance under the provisions of this Article, it shall cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to each:

- (1) The Paying Agent,
- (2) The Registrar, and
- (3) The owner of each of the Bonds Outstanding and the insurer of the Bonds, if any.

The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the County Clerk for public inspection.

Section 1204. Time for Amendment. Whenever there shall be filed in the office of the Clerk an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the County may adopt the amendatory instrument and the instrument shall become effective.

Section 1205. Binding Consent to Amendment. If the owners of at least a majority in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond, whether or not the owner shall have consented to or shall have revoked any consent as in this article provided, shall have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the County from taking any action pursuant to the provisions thereof.

Section 1206. Time Consent Binding. Any consent given by the owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the mailing of the notice above provided for in § 1203 hereof, and shall be conclusive and binding upon all future owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of the mailing of the notice by the owner who gave the consent or by a successor in title by filing notice of the revocation with the Clerk, but the revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

Section 1207. Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and the provisions of this Ordinance or of any instrument amendatory hereof or supplemental hereto and the rights and the obligations of the County and of the owners of the Bonds hereunder may be modified or amended in any respect upon the adoption by the County and upon the filing with the Clerk of an instrument to that effect and with the consent of the owners of all the then Outstanding Bonds, the consent to be given as provided in § 1004 hereof; and no notice to owners of Bonds shall be required as provided in § 1203 hereof, nor shall the time of consent be limited except as may be provided in the consent.

Section 1208. Exclusion of County's Bonds. At the time of any consent or of other action taken under this Article, the County shall furnish to the Clerk a certificate of the County Treasurer, upon which the County may rely, describing all Bonds to be excluded, for the purpose

of consent or of other action or of any calculation of Outstanding Bonds provided for in this Article, and the County shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, pursuant to paragraph (4) of § 102B hereof.

Section 1209. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the County as to the action; and if any Bond so authenticated and delivered shall bear such notation, then upon demand of the owner of any Bond Outstanding at such effective date and upon presentation of his or her Bond for the purpose at the principal office of the County Clerk, suitable notation shall be made on the Bond by the County Clerk as to any such action. If the County so determines, new Bonds so modified as in the opinion of the County to conform to such action shall be prepared, authenticated and delivered; and upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to the owner for Bonds then Outstanding upon surrender of the Bonds.

Section 1210. Emergency. The Board has expressed in the preambles of this Ordinance that it pertains to the sale, issuance and payment of the Bond, 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 1211. 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, and such publication to be in substantially the following form:

(Form of Publication)

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE BY WASHOE COUNTY, NEVADA OF ITS NEGOTIABLE "WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) (ADDITIONALLY SECURED BY PLEDGED REVENUES) GOLF COURSE BONDS SERIES 1997," FOR THE PURPOSE OF FINANCING GOLF COURSE FACILITIES OF THE COUNTY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS; SECURING THEIR PAYMENT BY A PLEDGE OF THE NET REVENUES OF THE GOLF COURSE FACILITIES TO BE FINANCED WITH THE PROCEEDS OF THE BONDS; PROVIDING OTHER MATTERS RELATING THERETO; PROVIDING FOR ADOPTION AS IF AN EMERGENCY NOW EXISTS.

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 _____ on August 19, 1997, and was passed and adopted at a regular meeting of the Washoe County Board of County Commissioners at the same meeting on August 19, 1997, by the following vote of the Board of County Commissioners:

Those Voting Aye:

Joanne Bond
Jim Galloway
Mike Mouliot
Jim Shaw
Grant Sims

Those Voting Nay:

Those Absent:

This Ordinance shall be in full force and effect from and after the ___ day of _____, 1997, 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 August 19, 1997.

/s/ Grant Sims
Chairman
Board of County Commissioners
Washoe County, Nevada

(SEAL)

Attest:

/s/ Judi Bailey
County Clerk

(End of Form of Publication)

Section 1212. Proof of Ordinances and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing the instrument, and the date of his holding the same may be proved as provided by § 1004 hereof.

PASSED AND ADOPTED BY AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY, NEVADA, THIS AUGUST 19, 1997.

Proposed on August 19, 1997.

Proposed by Commissioner Bond.

Passed August 19, 1997.

Vote:

Ayes:

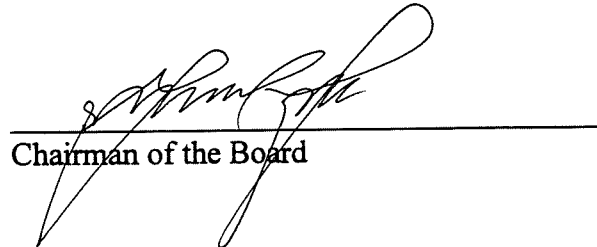
Joanne Bond
Jim Galloway
Mike Mouliot
Jim Shaw
Grant Sims

Nays:

Absent:

Attest:


County Clerk


Chairman of the Board

This Ordinance shall be in force and effect from and after the 5 day of September, 1997, i.e, the date of the second publication of such Ordinance by its title only.

STATE OF NEVADA)
) ss.
 COUNTY OF WASHOE)

I, Judi Bailey, am the qualified and elected Clerk of Washoe County (the "County"), and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages are a true, correct and compared copy of the ordinance adopted by Board of County Commissioners (the "Board") of the County at a meeting held on August 19, 1997. The original of the ordinance has been approved and authenticated by the signatures of the Chairman of the Board and myself as County Clerk and sealed with the seal of the County, and has been recorded in the minute book of the Board kept for that purpose in my office.

2. Said proceedings were duly had and taken as therein shown. The Commissioners set forth in the ordinance were present at said meeting and voted on the ordinance.

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

4. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS § 241.020. A copy of the notice of meeting and excerpts from the agenda for the meeting relating to the resolution, as posted by 9:00 a.m. at least 3 working days in advance of the meeting at:

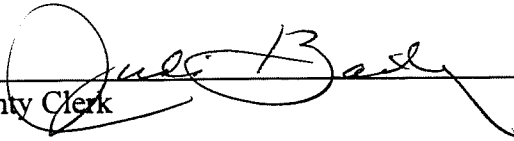
1. Washoe County Administration Complex
1001 East Ninth Street
Reno, Nevada
2. Washoe County Courthouse
Virginia and Court Streets
Reno, Nevada
3. Washoe County Library
301 South Center Street
Reno, Nevada
4. Justice Court
630 Greenbrae Drive
Sparks, Nevada

is attached as Exhibit "A".

5. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was delivered to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in the same manner in which notice is required to be mailed to a member of the Board.

IN WITNESS WHEREOF, I have hereunto set my hand this August 19, 1997.

(SEAL)



County Clerk

Exhibit "A"
(Attach Copy of Notice of Meeting)

COUNTY COMMISSIONERS

Grant Sims, Chairman
Joanne Bond, Vice-Chairman
Jim Galloway
Mike Mouliot
Jim Shaw

AGENDAMEETING OFWASHOE COUNTY BOARD OF COMMISSIONERS

COMMISSION CHAMBERS - 1001 E. 9th Street, Reno, Nevada

August 19, 1997

COUNTY MANAGER

John MacIntyre

ASSISTANT
DISTRICT ATTORNEY

Madelyn Shipman

NOTE: Items on the agenda without a time designation may not necessarily be considered in the order in which they appear on the agenda.

An Agenda **CAUCUS** Meeting will be held in the Commission Caucus Room (1001 E. 9th St., 2nd Floor, Reno) on **MONDAY, AUGUST 18, 1997, at 1:30 p.m.**, in order to review agenda items for the regular meeting of the Washoe County Board of Commissioners as described below. Said review, if requested by the Commission, is limited to brief staff presentation of issue and may include review of background information and questions to be answered at the regular meeting.

Pursuant to NRS 241.020, the Agenda for the Commission Meeting has been posted at the following locations: Washoe County Administration Building (1001 E. 9th Street), Washoe County Courthouse-Clerk's Office (Court and Virginia Streets), Washoe County Central Library (301 South Center Street) and Sparks Justice Court (630 Greenbrae Drive). At the meeting, after salute to the flag and roll call, the Board of County Commissioners may vote on the following items as the Board and, ex-officio, as the Board of Fire Commissioners for the Truckee Meadows Fire Protection District, the Governing Board for Financial Matters of the Regional Hazardous Materials Response Team and/or the Board of Trustees of either the Lawton/Verdi or South Truckee Meadows General Improvement Districts.

Support documentation for items on the agenda, provided to the Washoe County Board of Commissioners, is available to members of the public at the County Manager's Office (1001 E. 9th St., 2nd Floor, Reno, Nevada).

Unless otherwise indicated by asterisk (*), all items on the agenda are action items upon which the Board of County Commissioners will take action.

- 9:00 a.m.**
- *1. Salute to the flag.
 - *2. Roll call.
 - 11. Ordinances.
 - B. First reading and adoption of an Ordinance authorizing the issuance by Washoe County, Nevada of its negotiable "Washoe County, Nevada, General Obligation (Limited Tax) (additionally secured with pledged revenues) Golf Course Bonds Series 1997." for the purpose of financing golf course facilities of the County; providing the form, terms and conditions of the Bonds; securing their payment by a pledge of the net revenues of the golf course facilities to be financed with the proceeds of the Bonds; providing other matters relating thereto; providing for adoption as if an emergency now exists.
 - C. First reading and adoption of an Ordinance authorizing the issuance by Washoe County, Nevada of its Registered, Negotiable, General Obligation (Limited Tax) Sewer Bonds (Truckee River Water Quality Settlement) (additionally secured by Pledged Revenues) Series 1997 for the purpose of financing sewer projects for the County; providing the form, terms and conditions thereof and covenants relating to the payment of said Bonds; and providing for its adoption as if an emergency exists; and providing other matters relating thereto.

EXHIBIT B

(Attach Affidavit of Publication)