

**RENO-SPARKS CONVENTION AND VISITORS AUTHORITY  
NOTICE OF PUBLIC MEETING**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

Thursday, February 25, 2021, at 9:00 a.m.

**MEETING VIA TELECONFERENCE/VIDEOCONFERENCE  
ONLY PURSUANT TO NRS 241.023**

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**BOARD OF DIRECTORS:  
Mayor Hillary Schieve, Chair**

Mr. Andy Chapman  
Councilwoman Charlene Bybee  
Ms. Shannon Keel  
Mr. Rick Murdock

Mr. Daniel Farahi  
Commissioner Bob Lucey  
Ms. Ann Silver  
Mr. Mark Sterbens

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

RSCVA Website: [www.rscva.com/public-meetings](http://www.rscva.com/public-meetings)

Online at <http://notice.nv.gov/>

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**Public Notice**

Pursuant to Section 3 of the Declaration of Emergency Directive 006 ("Directive 006"), the requirement contained in NRS 241.023(1)(b) that there be a physical location designated for meetings of public bodies held via teleconference or videoconference where members of the public are permitted to attend and participate has been suspended. Moreover, pursuant to Section 3 of Directive 006, the requirements contained in NRS 241.020(4)(a) that public notice agendas be posted at physical locations within the State of Nevada has likewise been suspended. This agenda has been electronically posted in compliance with Directive 006, NRS 241.020(3) at [www.visitrenotahoe.com/about-us/public-meetings](http://www.visitrenotahoe.com/about-us/public-meetings) and NRS 232.2175 at <https://notice.nv.gov/>.

Please see the section below regarding public comment. Members of the public may view the meeting live at <https://www.youtube.com/channel/UCaqIm2OShuhzc5Lw1w6HkcA>.

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**Supporting Materials**

Pursuant to Section 5 of Directive 006, the requirement contained in NRS 241.020(3)(c) that physical locations be available for the public to receive supporting material for public meetings has been suspended. Supporting materials for the meeting are available on the RSCVA's website at [www.visitrenotahoe.com/about-us/public-meetings](http://www.visitrenotahoe.com/about-us/public-meetings).

Pursuant to NRS 241.020(6), supporting material is made available to the general public at the same time it is provided to the Board. The designated contact to obtain support materials is Corie Carlsen, 4065 South Virginia Street, Suite 100, Reno, NV (775) 827-7618.

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**Public Comment**

Pursuant to Section 2 of Directive 006, if a public body holds a meeting by means of teleconference or videoconference and a physical location where members of the public can attend is not provided, the public body must provide a means for the public to provide public comment, and post that means on the public notice agenda. Pursuant to Section 2 of Directive 006, the public may provide public comment by emailing comments to [boardclerk@renotahoeusa.com](mailto:boardclerk@renotahoeusa.com) or by leaving a voicemail (limited to three minutes) at (775) 827-7602 (note this is not a live call-in line). Comments received before 4:00 p.m. on Wednesday, February 24, 2021, will be transcribed and given to the Board for review and will be included with the minutes of the meeting.

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Items on the agenda are for possible action by the Board of Directors unless stated otherwise. Items will not necessarily be considered in the order listed. The Board of Directors may combine two or more agenda items for consideration, may remove an item from the agenda or may delay discussion relating to an item on the agenda at any time.

# AGENDA

## **A. OPENING CEREMONIES**

Call to Order  
Pledge of Allegiance  
Roll Call

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

Public comment is limited to three minutes. The public is encouraged to comment on all agenda items as well as issues not on the agenda during the Public Comment period. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.

## **C. APPROVAL OF THE AGENDA OF THE FEBRUARY 25, 2021 BOARD OF DIRECTORS' MEETING**

For possible action.

## **D. APPROVAL OF THE MINUTES OF THE JANUARY 28, 2020 BOARD OF DIRECTORS' MEETING**

For possible action.

## **E. FINANCE DIVISION**

### **E1. Discussion and possible action on a resolution authorizing the issuance of the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2021" in the principal amount not to exceed \$70,000,000 for the purpose of refunding certain outstanding bonds; providing the form, terms, and conditions of the bonds and the security therefor; and providing the effective date.**

The Board is being asked to review, discuss and possibly approve a resolution authorizing the issuance of the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2021" in the principal amount not to exceed \$70,000,000 for the purpose of refunding certain outstanding bonds; providing the form, terms, and conditions of the bonds and the security therefor; and providing the effective date.

For possible action.

## **F. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS**

This is an information item. Not an action item.

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

Public comment is limited to three minutes. The public is encouraged to comment on all agenda items as well as issues not on the agenda during the Public Comment period. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.

## **H. ADJOURNMENT**

For possible action.

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

**Reno-Sparks Convention & Visitors Authority  
Regular Meeting of the Board of Directors  
Meeting Minutes  
January 28, 2021**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 am, January 28, 2021, **via teleconference/videoconference only pursuant to NRS 241.023.** The meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

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## **A. OPENING CEREMONIES**

### **Call to Order**

Member Daniel Farahi led the Pledge of Allegiance.

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#### **Board Members Present:**

Councilwoman Charlene Bybee  
Andy Chapman  
Daniel Farahi  
Shannon Keel  
Commissioner Bob Lucey  
Rick Murdock  
Mayor Hillary Schieve  
Ann Silver  
Mark Sterbens

#### **Board Members Absent:**

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#### **RSCVA Executive Staff Present:**

Charles Harris, President & CEO  
Jennifer Cunningham, Executive Vice President  
Robert Chisel, Vice President of Finance and Operations  
Michael Larragueta, Vice President of Sales  
Art Jimenez, Executive Director of Tourism Sales  
Christina Erny, Director of Marketing  
Ben McDonald, Director of Communications  
Julie Williams, Human Resources Manager  
Ben Kennedy, Legal Counsel  
Molly Rezac, Legal Counsel

#### **RSCVA Executive Staff Absent:**

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

Pursuant to Section 2 of Directive 006, the public may provide public comment by emailing comments to [boardclerk@renotahoeusa.com](mailto:boardclerk@renotahoeusa.com) or by leaving a voicemail (limited to three minutes) at (775) 827-7602 (note this, not a live call-in line).

## **C. APPROVAL OF THE AGENDA OF JANUARY 28, 2021 REGULAR MEETING OF THE BOARD OF DIRECTORS**

**MOTION:** Member Mark Sterbens made a motion to approve the agenda. It was seconded by Ann Silver.  
**Motion carried unanimously.**

#### **D. APPROVAL OF MINUTES OF DECEMBER 3, 2020 REGULAR MEETING OF THE BOARD OF DIRECTORS**

Member Charlene Bybee presented a correction to the board meeting minutes. Under board members present, Mayor Ed Lawson should read Councilwoman Bybee.

**MOTION:** Councilwoman Charlene Bybee made a motion to approve the December 3, 2020, meeting minutes. It was seconded by member Andy Chapman. **Motion carried unanimously.**

#### **E. PRESENTATIONS**

**E1. RSCVA Board Appointment of Nevada Resort Association Board of Director's seat pursuant to NRS 244A.601(1)(d)(4)**

Ben Kennedy, Legal Counsel, reminded the Board that this item is up for discussion; however, the three elected officials will vote on the vacant seat. He added that this is a two-year seat vacated in December 2020 and would be effective immediately.

**MOTION:** Member Bob Lucey made a motion to appoint Mr. Rick Murdock as one of the NRA representatives to the Board of the RSCVA. It was seconded by member Charlene Bybee. **Motion carried unanimously.**

**E2. Legislative Preview**

Jesse Wadhams of Black & Wadhams provided a preview of the upcoming Legislative Session and issues of interest to the RSCVA. He covered critical significance items to the RSCVA, including Bill AB29, AB39, AB69, SB11, and SB73 (Bill Report found in Board materials).

**E3. US Travel Update**

Roger Dow, President & CEO, US Travel, gave the Board of Directors an update on the country's current state of travel. He discussed the mission and vision of US Travel and recent legislative wins, and American travelers statistics.

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

Daren Griffin, A.A.E., President/CEO, Reno Tahoe Airport Authority, gave the Board of Directors an update on the airport's state. He covered Reno's annual passenger data, Reno Air Service Corporation (RASC), and Target Markets.

**E5. Legal Counsel Update**

Ben Kennedy, RSCVA Legal Counsel, had no legal updates for the Board.

**E6. Reno-Sparks Convention and Visitors Authority CEO Update**

Charles Harris, President/CEO, delivered an RSCVA update. He thanked both Roger Dow and Daren Griffin for presenting to the Board this morning. Mr. Harris discussed the US Forecast: COVID-19 Recovery Scenario, Industry Trends, and Travel & Leisure Activities. He talked about the local and national stakeholders that he has been able to connect with, as well as staff and community outreach.

**E7. Charles Harris, President/CEO Goals & Objectives**

Charles Harris, President/CEO, presented his proposed goals and objectives for the Fiscal Year 2020/2021. He touched on each of the six key priorities identified for the RSCVA, including the COVID-19 Recovery Plan, Reimagining the Organization, Improved Air Service, RSCVA Managed Facilities, Economic Impact & Growth as a Brand, and Engaging Stakeholders.

#### **F. SALES DIVISION**

**F1. Sales Division Update**

Michael Larragueta, Vice President of Sales, delivered an update on convention sales production, cancellations, and net numbers for November, December, and Year to Date. He stated that gross-produced room nights for November totaled 21,052 on a goal of 14,475, and the total cancellations

in November were 20,202 for a net of 850 room nights. He added that gross produced room nights for December totaled 6,527 on a goal of 13,285, and the total cancellations in December were 7,392 for a net of negative <865> room nights. He said that gross produced room nights Year to Date (July through December) totaled 64,452 on a goal of 121,091, and the total cancellations Year to Date are <56,120> for a net of 8,332. Of the 64,452 room nights booked Year to Date 19% or 12,130 were booked definite for 2020, 37% or 23,872 in 2021 and 21% or 13,610 in 2024. Mr. Larragueta went on to say that new business totaled 29,064 room nights or 45% of all room nights contracted and 76% against the goal of 38,191. He added that from July through December 2020, 106 groups representing 163,852 room nights canceled due to COVID – 19; however, 90% or 95 of these 106 groups have either resigned contracts in discussion with hotels to resign for a future date. He said that the team reached a few of our groups, asking them why they chose to rebook their programs in Reno, and here are a few samples of what clients had to say. “NTA was extremely disappointed that we could not hold our 2020 Travel Exchange in Reno Tahoe, as planned. But, there was never a question in our mind about rescheduling for our next open year – 2022. Reno is a great city, and I look forward to sharing it with our attendees. However, your best asset is your people, and they made the process of rebooking painless. The only bright side to moving dates is that I can continue to work with them for just a bit longer.” from Dawn Pettus, Vice President of Events for the National Tour Association. “Reno has been one of our top destinations due to the value, attractions and most importantly, the relationships and sense of partnership between us as event planners and the “Reno family” represented by facility and RSVA reps.” from Elizabeth Armstrong, the President of the Association and Society Management International. Mr. Larragueta finished his sales update by saying that team recently contracted sixteen groups of 1,000 or more room nights. Highlights include the 2022 Cookie Con Art Convention representing 2,055 room nights with an economic impact of over \$2 million, 2021 USA Climbing with 5,135 room nights and an economic impact of over \$5.1 million, and Shriners International Imperial Session’s citywide booking for July of 2024 representing 11,000 contracted room nights and an economic impact of \$10.8 million.

Mr. Larragueta gave the Board an update on the tourism segment with production numbers versus the same time last year for November and year to date. He said November tourism sales consumed room nights totaled 31,031 versus 51,962 for November of 2019, and year to date consumed room nights (July through December) totaled 202,447 versus 330,116 for the same time last year. Online Travel Agencies (OTA) and Travel Agent segments represented 96% of all Tourism produced room nights Year to Date in 2020 and 90% in 2019. Mr. Larragueta said that this data means year-over-year production for a significant OTA partner from July through December of 2020 versus 2019. Reno Tahoe is down <-32%> year over year; however, when you look at our comp set, we performed much better than seven of the eight metropolitan and recreational cities represented on this slide, specifically Las Vegas and San Francisco who are down <-59%> and <-87%> year over year. Expedia, the RSCVA, and five properties recently completed a co-operative marketing campaign that ran from July through November 5<sup>th</sup> of 2020. He said that the RSCVA and participating properties' total investment was \$93,000, matching funds from Expedia of \$112,000 resulted in a total campaign value of \$205,000. He stated that this campaign generated over 42,000 room nights and \$4.6 million in room revenue for future travel. Mr. Larragueta went on to say that year to date, the tourism team has completed multiple co-operative Partnership Marketing campaigns with key partners. The RSCVA and hotel partners' total investment is \$115,700, and travel partners have contributed \$153,100 for a total investment of over \$268,000. These campaigns generated over 80,000 room nights and \$7.4 million in room revenue. The primary booking window continues to be 0–21 days; however, travelers are searching for dates up to 90 days out. Looking forward to the rest of 2021, the Tourism team anticipates resuming multiple sales missions in crucial air and visitation markets.

## **F2. FY 2020/2021 Group Sales Room Night Goals**

Michael Larragueta, Vice President of Sales, presented the Fiscal Year 2020/2021 Group Sales Room Night Goals for review and possible modification/approval by the Board of Directors. He stated that in the fiscal year 2019/2020, the group room night goal was 290,000, and for the fiscal year 2020/2021, staff is proposing a group room night goal of 176,500 contracted room nights or 61% of the prior Fiscal Year room night goal for the Boards review and approval. Mr. Larragueta said that several factors contributed to this recommended room night goal. First, the department's annual budget for this fiscal year is 46% to the prior year, and FTE (full-time employees) is 65% from the previous year. Also, the inability to meet with clients in person at tradeshow, sponsor events, conduct site inspections, and host familiarization trips. He said that history has proven that when we successfully get a prospective client to Reno Tahoe to experience our product, hospitality, and the

simplicity of contracting business, we win more than we lose. Mr. Larragueta added that the second part of this agenda item is to request the Board's review and approval for group cancellations in the fiscal year 2020/2021 directly related to COVID – 19 not to be applied against the gross room nights booked in this fiscal year. He said through the first six months of the fiscal year, 64,452 group room nights have been contracted for future dates pacing at 53% to goal. He finished by saying when you factor in COVID-related cancellations of <56,120> for this same period, the net produced room nights is 8,332 or pacing at 6.9% to goal.

## **G. MARKETING DIVISION**

### **G1. Marketing Division Update**

Jennifer Cunningham, Executive Vice President, said that the marketing team would present an update at the March Board meeting in the essence of time.

Charles Harris said that the marketing team would put out a short written statement on the RSCVA marketing efforts.

## **H. FINANCE DIVISION**

### **H1. Review, discussion, and possible approval of payment in the amount of up to \$150,000 to the City of Reno for funding to the Downtown Business Improvement District**

Robert Chisel stated that the Board of Directors is being asked to review, discuss, and approve payment to the City of Reno in an amount of up to \$150,000 to provide funding for the Downtown Business Improvement District. He specified that \$50K would fulfill the remainder of the RSCVA's commitment for the fiscal June 30, 21, plus the \$100K for this year. He stated that this would complete the \$300K commitment made to the BID in 2018.

Ann Silver asked if the money would go to additional ambassadors and police or maintain the BID budget.

Robert Chisel answered by saying that the money would maintain the budget and offset the operating cost. He stated that the funds would help fill the gap for the downtown police funding.

Shannon Keel asked if it has to be the complete \$150K.

Mayor Schieve stated that the \$50K was from last year, and \$100K is this year. She added that she is comfortable supporting the \$150K amount stated in Mr. Chisel's staff report.

Councilwoman Charlene Bybee asked for clarification that this was a three-year agreement, \$100K first year, with the possibility of \$100 each year for three years.

Mr. Chisel said that, due to the pandemic and budget cuts, the RSCVA paid \$50K, and the \$150K proposed today would fulfill the commitment.

**MOTION:** Chair Hillary Schieve made a motion to approve payment to the City of Reno in the amount of up to \$150,000 to provide funding for the Downtown Business Improvement District. It was seconded by member Rick Murdock. **Motion carried unanimously.**

## **I. BOARD MATTERS**

### **I1. Merit Bonus for Interim President/CEO**

Mayor Hillary Schieve addressed the activities and accomplishments of Jennifer Cunningham during the time she recently served as the RSCVA Interim President/CEO as presented in the staff report included in the board materials. Mayor Schieve stated that it was her understanding that the agenda item would read 15-35%, not \$15,000. She asked for a board discussion on this item to compensate Ms. Cunningham for her service as CEO.

Ben Kennedy gave the Board some clarification as to the agenda item. He said that this is the second time Ms. Cunningham served as CEO and that the first time Jennifer served, the Board awarded her a \$60K bonus. He said that there were two components to the \$60K bonus. First, she was awarded \$45K to pay equivalent to the individual who had served as Interim CEO before her. Second, the

Board awarded her a \$15K bonus based on merit and recognition of the job she had done as interim. He went on to say that there is not the same wage disparity this time, so the way this has been averted is to give the Board the ability to award the same bonus she received based on merit. He added that the Board is authorized today to award up to \$15K. If the Board wishes to increase that amount, it would have to come back as a future agenda item.

Ann Silver stated that the Board authorized an increase to take on the position of CEO. She asked if the bonus is on top of the salary increase.

Ben Kennedy stated that Ms. Cunningham was given a salary increase to assume the role of CEO and then subject to the mandatory reduction of 15%. He said that this bonus would be on top of that increase.

Ann Silver asked if this is a discretionary bonus for having served as CEO on top of the salary increase.

Shannon Keel asked if the increase stayed in place.

Robert Chisel stated that Ms. Cunningham's salary was adjusted back down once the authority hired Mr. Harris.

Mayor Schieve asked Ms. Cunningham how long she served as Interim.

Jennifer Cunningham said that she served 11 months in 2015-2016 and that it was May through November of 2020 when Mr. Harris began.

Mayor Schieve said that the Board should go back to the finance committee and make sure there is a clear policy in place should guidelines to follow. She added that Ms. Cunningham had to clean up some pretty big situations, let employees go, and a 15% pay cut.

Andy Chapman asked, since we are talking about a bonus, wouldn't that take place at the end of the fiscal year?

Mayor Schieve stated that due to inflation, the bonus amount from five years ago should not compare. She asked that RSCVA staff and legal counsel should come up with a clear policy.

Ben Kennedy stated that this is on the agenda as a separate item because Ms. Cunningham reported directly to the Board. He added that this was before Charles Harris started. Mr. Kennedy said that Mr. Harris does not have a way to measure Ms. Cunningham's performance as Interim and that this would be up to the Board's discretion.

Rick Murdock asked if Ms. Cunningham received a pay raise to take the interim position, while staff took a 10-15% pay cut.

Mark Sterbens stated that Ms. Cunningham received a 20% increase and then took a 15% decrease along with the rest of the Executive Committee.

Rick Murdock said that a 20% increase is not a lot to assume the role of CEO. He added that he is sympathetic to everyone that took pay cuts and had layoffs.

Bob Lucey asked to share a historical perspective. He agreed that the Board should look at pay equality and look at very resolute policies. He said that last time Ms. Cunningham served as interim, between Mr. Baum and Mr. DeLone, Ms. Cunningham was integral in many successes. He said that authority formed a Strategic Plan based on legislature with the new fee given to the authority. He said that the team launched a new brand and had to terminate employees. He added that Ms. Cunningham helped in the CEO search process, helped land several significant programs, and worked closely with the airport to bring in new air service. He went on to say that Ms. Cunningham had several roles and was rightly awarded that bonus. Mr. Lucey noted, however, COVID-19 has been a difficult time for all of us. He added that the industry and state shut down for three months, and nobody was doing anything. He said that we were trying to maintain the ship without turning the lights off, but everyone stayed home for the most part. Mr. Lucey noted that Ms. Cunningham elected

to assume the role of Interim CEO without the assumption of ever receiving a bonus and was given an increase in salary for that period. He said that the Board unanimously hired a new CEO and that this is not the time to award a bonus. Mr. Lucey agreed with Mr. Chapman's comments and suggested that the Board wait to see where our fiscal year ends. The first time Ms. Cunningham served, specific successes could be seen, but no one had added wins during COVID-19 unless you were on the frontlines.

Mayor Schieve said that she has been on a record number of long Zoom calls these days and has never worked harder than during this pandemic. She reminded the Board that it is a lot harder to shut down when working from home. Mayor Schieve added that it had been a challenging landscape, but RSCVA staff has been on national panels for the travel industry. She commended Robert Chisel as one of the best in the business, and thanks to his early cuts, the authority is doing well.

Robert Chisel stated that the authority beat the budget twice in the first six months of the pandemic. He said that the RSCVA is in an excellent financial position and looking solid. He added that the bond refinance will bring in additional reserves.

Mayor Schieve said that Ms. Cunningham did the job of two people during this time. She said that it is essential to invest in your team's morale, and you are only as good as your people. Mayor Schieve said that she is lucky that we work with amazing people at the City of Reno, adding that sometimes there is a tendency not to recognize the people that make us successful.

Daniel Farahi asked if the bonus was given based on the Interim's achievement and was at the Board's discretion, not based on a portion of what the full-time CEO would have made.

Ben Kennedy said that the Board awarded her a \$60K bonus, \$45K was to address a pay discrepancy, and a \$15K merit bonus based on performance.

Daniel Farahi stated that many of us, if not all of us, are working harder. He said that he is not sure that any entities had any exceptional results this past year. Mr. Farahi added that he has spoken to many CEOs, and none of them are giving bonuses unless your performance exceeds the prior year. He said that he finds it hard to approve additional compensation for one position and not for any other, and most of us are still struggling through this past year.

Councilwoman Bybee that while she understands the bonus awarded in 2015, the landscape is very different now. She said that there are businesses hanging on by a thread because of this COVID-19 pandemic. She finished by saying that this is not a reflection of Ms. Cunningham's performance, but it seems like bad timing to award a bonus with the 49% budget loss while the community is trying to climb out of this economic crisis.

Ben Kennedy stated that a motion was not necessary. He added that the Board could bring this item back on a future agenda and take no action at this time.

Daniel Farahi asked for clarification, stating that, rather than asking for a \$15K bonus, this item will be brought back as a new, possibly higher amount.

Mayor Schieve said that the Board had awarded a percentage for CEOs in the past and stated that Charles Harris's bonus would be a 35% bonus.

Ben Kennedy stated that Mr. Harris's contract says that he is eligible for a 35% bonus based on his contracted salary amount. He cautioned the Board that any change would have to come back on the March agenda. Today the board is agendized to award up to \$15K. He said that the Board could change that to a percentage it could be brought back on the March agenda to read in an amount not to exceed 15%.

Mayor Schieve proposed that the Board take action today on the items as agendized.

Daniel Farahi stated, with all due respect, he is disappointed that the Board did have the conversation and that the consensus was that the Board was not in favor of even a 15K bonus. He stated that he



would hope that some consideration would be given to the discussion and concerns brought forth by numerous Board members.

**MOTION:** Mayor Hillary Schieve made a motion to approve a merit bonus to Jennifer Cunningham for her work as RSCVA Interim President/CEO in an amount not to exceed Fifteen Thousand Dollars (\$15,000). It was not seconded. **Motion failed.**

**12. Review, discussion, and possible action regarding making staff compensation reinstatement retroactive.**

Mayor Schieve stated that she wanted to bring this agenda item back and emphasized that this is not a bonus or pay raise; this item makes the employees whole from the pay cuts taken in 2020. She stated that she went back to the video recording from previous Board meetings with board members' comments. Mayor Schieve asked to play those comments in a video clip.

Ann Silver clarified that her comments addressed the reinstatement of employee salaries from the 10%-15% pay cuts. Ms. Silver asked Charles Harris if the employees were brought back to full wages.

Charles Harris said that the staff salaries were restored on December 6, 2020.

Andy Chapman said that he does not feel that the authority is back to pre-pandemic numbers. He said while the RSCVA's budgets had done better than expected, it is still down 49% in room revenues than the prior year. I don't know of many DMO's or businesses that are providing that make-up. He suggested that staff look at pushing this back to the end of the fiscal year and perhaps look at a merit-based bonus later.

Daniel Farahi asked the private business leaders on the Board members if their organizations took pay cuts during the past year.

Mark Sterbens answered that the Nugget staff took pay cuts.

Shannon Keel said that the GSR incurred layoffs and pay cuts.

Rick Murdock stated that The Row incurred layoffs and pay cuts.

Ann Silver said that the Chamber eliminated a position.

Daniel Farahi asked if any of those organizations did anything regarding retro pay. He added that the RTAA took pay cuts to be fiscally responsible and protect the organization, and none of those team members received retro payment. Mr. Farahi said that he believes that this item sets a dangerous precedent. He added that if we are talking morale, for all of the others in this community who did not receive retroactive pay, this is not the time for this item. He said that the Board has discussed this issue ad nauseam and he does not support this agenda item.

Mayor Schieve said she appreciates Mr. Farahi's comments and asked if his organization's cuts were across the board.

Mr. Farahi answered that yes, and the CEO did not take a salary last year and did not receive any retroactive pay.

Mayor Schieve said that she believes that the RSCVA needs an updated policy that reflects pay cuts from the CEO on down, not the situation.

Daniel Farahi asked if Mayor Schieve was referring to the CEO that the Board just hired when the pay was brought back.

Mayor Schieve said that need everyone should be in alignment so that it is a team effort.

Mr. Farahi said that Mr. Harris was hired at a time when staff pay was restored.

Mayor Schieve said the issue is that the Board brought Mr. Harris on during COVID-19, and the cuts should have been across the entire organization. She said that a policy is needed to make sure that

everyone is in line.

Mark Sterbens said that he wants to make sure that employee compensation is up to the CEO's discretion.

Rick Murdock suggested that the Board give Mr. Harris the ability to look at a bonus structure for employees as business bounces.

**MOTION**: Chair Hillary Schieve made a motion to approve making the pay reinstatement retroactive back to the effective date of the mandatory reductions with an aggregate salary cost to the RSCVA in an amount not exceed One Hundred Eighty-Nine Thousand Dollars (\$189,000). It was not seconded. **Motion failed.**

**Mayor Schieve left the Board meeting at 12:28 am.**

***G BOARD MEMBERS COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS***

None

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

None

***I ADJOURNMENT***

Meeting adjourned at 12:32 am.

# PUBLIC COMMENT

**From:** [James Wilson](#)  
**To:** [Mark Sterbens](#); [Charlene Bybee](#)  
**Cc:** [dabbott@cityofsparks.us](#); [dvanderwell@cityofsparks.us](#); [panderson@cityofsparks.us](#); [kdahir@cityofsparks.us](#); [Charles Harris](#); [Ben McDonald](#); [Board Clerk](#)  
**Subject:** Comment for Sparks RSCVA Board Members  
**Date:** Wednesday, February 3, 2021 8:36:05 AM

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Dear Mr. Sterbens and Ms. Bybee:

I am writing you to convey my anger and disgust over some recent actions taken by a certain public official that you work with. Specifically, a Charles Harris, who was recently imported here from California (do we really need any more Californians moving here?) to manage the RSCVA. I saw the News 4 story on this guy and the RGJ article. I can't believe he's getting paid over \$420,000 a year! That's an insane amount of money! To make the matter even worse, Harris is really showing himself to be a poor leader and just another greedy California carpetbagger.

In the last RSCVA meeting, which I watched on You Tube, Harris's demeanor, actions and words really showed his lack of professionalism, character, morals and ethics -- his true colors! He became very offended at the mention of possibly not getting his \$101,000 bonus, even though he's only been here a few months and has accomplished absolutely nothing. He also refused to set any goals for himself over the next few months aside from "meeting some people" -- what a joke! But it was very obvious during the meeting that he didn't support giving any back pay to RSCVA employees who have taken pay cuts because of the pandemic or any other employee's bonuses. He was also greedy enough to include a clause in his contract that states he wouldn't be subject to any pay cuts -- smart!

Compare this behavior to that of our own City Manager, Neil Krutz. At the May 26, 2020 City Council meeting Neil voluntarily gave up his 5% pay increase and 2.8% COLA. He even went so far as to voluntarily reduce his salary by 5%! And Neil was already receiving WAY less compensation than Harris. He's making \$235,000 annually, as opposed to Harris's \$420,000. This was all done in response to the COVID pandemic, which has hit the City of Sparks really hard. Neil's actions show character and leadership by someone who cares about their community because it's their home. It's the exact opposite of this guy from Anaheim, who neither knows nor cares about us, as his actions prove.

I have friends who worked at the Nugget that lost their jobs. I was also really sad to see the City lay off over 35 employees over the past year in Parks and Rec. Our hotels and visitors pay room tax to the RSCVA. We need to take action to right the wrong that has been done by bringing this greedy, pathetic excuse for a manager to our area. I urge you both to use your influence to fire him and send him packing back to California! Hire a local person who has a good understanding of our area and industries, and (more importantly) has a vested interest in our communities BECAUSE THEY LIVE HERE.

Please ensure that the text of this message is included at the next RSCVA Board Meeting and the next Sparks City Council meeting as public commentary.

Regards,  
James Wilson

From: [David Smith](#)  
To: [Mayor Hillary Schieve](#); [Board Clerk](#)  
Subject: PUBLIC COMMENT FOR RSCVA BOARD MEETING  
Date: Thursday, January 28, 2021 11:16:51 AM

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I am requesting for the following statement to be read aloud as public comment in today's board meeting:

To the RSCVA Board of Directors:

As a long time citizen and taxpayer of Northern Nevada I am contacting you to express my anger, disappointment and outright contempt for your recent decision to recruit and hire Charles Harris as the RSCVA's President and CEO.

After reading the October 14<sup>th</sup> article in the Reno Gazette Journal, reviewing his past employment history, reviewing the job description qualifications, and reviewing the contents of his employment contract, I was astounded by both the level of compensation provided to Mr. Harris and just how unfit he appears to be for this position.

Per his contract, Mr. Harris's total annual compensation consists of a base salary amount of \$290,000, an annual bonus of up to \$101,500, a moving allowance of \$29,000 and an automobile allowance of \$9,000. In total, this amounts to \$429,500 of annual compensation! How on earth can this amount be justified to any taxpayer of Northern Nevada? Compared to other local governments in our area, this amount is outrageously high.

For example and as a point of comparison, the total annual compensation of the Washoe County Manager is \$234,000 – almost half of what you are paying Mr. Harris. And the county manager oversees an organization with over 2,700 employees that provides a wide range of services to its citizens. In contrast, the RSCVA has less than 40 employees and exists only to manage a few venue properties and market the area to tourists. Mr. Harris's compensation is also much greater than that of the City Managers of Reno and Sparks and even that of our Governor!

In addition to the obscene amount of public money Mr. Harris receives, he also gets free travel, a free laptop computer and free phone service. And the board even went so far as to state that Mr. Harris will receive one year's salary upon being terminated, no matter the cause, and will receive all of his fringe benefits for that entire year as well! This is a flagrant waste of public funds and all of you are responsible and should feel shame for this horrible decision.

And if the compensation and benefits weren't bad enough, a quick review of Mr. Harris's resume and personal history quickly show him to be unqualified for this position. He previously worked for Visit Anaheim and a baseball team. Marketing a California town like Anaheim that has one attraction – Disneyland, and working for a baseball team are not the experience the Reno-Sparks area needs. Despite the job description requiring experience managing facilities, Mr. Harris has no such experience. Mr. Harris also has no experience with the gaming industry,

no experience with the ski industry, and no experience with the resort industry. Perhaps the saddest commentary on this situation is the fact that prior to interviewing for this position Mr. Harris stated he had never even visited Reno-Sparks area!

Clearly the board has recruited an ill-fitting person for the position of President/CEO of RSCVA and provided excessive and exorbitant compensation.

To the elected members of the board, the decision to hire Mr. Harris should be reversed and a competent candidate be found as soon as possible. Stop wasting public funds so egregiously.

David Smith



To: RSCVA Board of Directors

From: Courtney Jaeger, Director of Finance  
Robert Chisel, VP Finance and Operations

CC: Charles Harris, President/CEO  
Mayor Schieve, Board Chair

Date: February 25, 2021

Subject: **For possible action – discussion and possible action on a resolution authorizing the issuance of the “Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2021” in the aggregate principal amount not to exceed \$70,000,000 for the purpose of refunding certain outstanding bonds; providing the form, terms and conditions of the bonds and the security therefor; and providing the effective date.**

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### **Executive Summary**

The Authority’s Convention Center Refunding Bonds, Series 2011, Series 2019A, and Series 2019B Bonds are proposed to be refunded through Washoe County. Staff, with our financial advisor, JNA Consulting Group, has determined that refunding the bonds will provide significant financial savings. Attached is the resolution authorizing the issuance of refunding bonds. On December 3, 2020, the Board approved a resolution authorizing the arrangement of the sale of bonds.

These bonds are refunding bonds only, with no new money funding requested and no extension of the maturity dates. Staff recommends Board adoption of the attached resolution.

### **Background**

The Convention Center Refunding Bonds, Series 2011 Bonds, were originally issued through the Cooperative Agreement with Washoe County for an aggregate principal amount of \$88,680,000. The Bonds are supported by pledged revenues which includes the proceeds of a 2% license tax imposed upon the rental of transient lodging within the



County, General Room License Taxes (6%), and Facilities Revenues. In 2019, a portion of the bonds were refunded as Series 2019A and Series 2019B.

Currently, the outstanding principal balance of the bonds is \$85,984,000. The entire balance will be refunded with an estimated principal amount not to exceed \$70,000,000 will be refunded. This refunding, based upon current interest rates, will result in savings of approximately \$8,000,000 over the remaining life of the bonds (final payment 01/01/2033).

### **Fiscal Impact**

The transaction cost of the refunding is estimated to be approximately \$603,000, which will be incorporated in the refunded bonds. The transaction costs will consist of underwriting, bond counsel (Sherman & Howard), bond advisor (JNA Consulting), trustee, and other professional services. The estimated overall savings are anticipated to be \$8,000,000 over the remaining life of the bonds. The payments will be adjusted in the annual budgets. Attached is the estimated savings in the Refunding Summary.

### **Recommendation**

Staff recommends approval of this resolution authorizing the issuance of the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2021" in the aggregate principal amount not to exceed \$70,000,000 for the purpose of refunding certain outstanding bonds; providing the form, terms and conditions of the bonds and the security therefor; and providing the effective date.



**Washoe County, Nevada**  
**General Obligation (Limited Tax)**  
**Reno-Sparks Convention & Visitors Authority Refunding Bonds**  
**(Additionally Secured by Pledged Revenues)**  
**Series 2021A**  
**Sources & Uses of Funds**

**Issue Summary**

Dated Date	04/06/2021
Par Amount	\$65,495,000
Refunded Par	\$85,984,000
Savings	\$7,456,212
Avg. Annual Savings	\$688,602
Present Value Savings	\$6,996,575
PV Savings as % of Refunded Par	8.137%
PV Savings as % of Refunding Par	10.683%
Negative Arbitrage	\$46,692
True Interest Cost	1.0987%
Arbitrage Yield Limit	1.0462%
Weighted Average Maturity	6.607 years
Net Underwriting as % of Par	0.204%

**Sources of Funds:**

Par Amount	\$65,495,000.00
Original Issue Premium	15,739,141.45
Debt Svc. Fund Contrib.	5,397,740.70
Sinking Fund Contrib.	814,241.15
	-----
Total	\$87,446,123.30

**Uses of Funds:**

Initial Escrow Deposit	\$1.00
Escrow Securities	19,728,140.00
2019A Redemption	19,516,856.51
2019B Redemption	47,763,634.19
Transferred Proceeds Pmt	0.00
Net Underwriting	133,556.29
Insurance	0.00
Issuance Costs	303,935.31
	-----
Total	\$87,446,123.30

Washoe County, Nevada  
 General Obligation (Limited Tax)  
 Reno-Sparks Convention & Visitors Authority Refunding Bonds  
 (Additionally Secured by Pledged Revenues)  
 Series 2021A  
 Debt Service and Savings Schedule

Date	Principal	Coupon	Interest	Semi-Annual Debt Service	Annual Debt Service	Refunded Debt Service	Cashflow Savings/(Loss)
04/06/2021							
01/01/2022			\$2,410,579.86	\$2,410,579.86	\$2,410,579.86	\$3,332,284.93	\$921,705.07
07/01/2022	\$4,930,000	5.000%	1,637,375.00	6,567,375.00			
01/01/2023			1,514,125.00	1,514,125.00	8,081,500.00	8,733,166.00	651,666.00
07/01/2023	5,180,000	5.000%	1,514,125.00	6,694,125.00			
01/01/2024			1,384,625.00	1,384,625.00	8,078,750.00	8,732,615.60	653,865.60
07/01/2024	5,450,000	5.000%	1,384,625.00	6,834,625.00			
01/01/2025			1,248,375.00	1,248,375.00	8,083,000.00	8,732,374.30	649,374.30
07/01/2025	5,725,000	5.000%	1,248,375.00	6,973,375.00			
01/01/2026			1,105,250.00	1,105,250.00	8,078,625.00	8,730,822.20	652,197.20
07/01/2026	6,020,000	5.000%	1,105,250.00	7,125,250.00			
01/01/2027			954,750.00	954,750.00	8,080,000.00	8,732,607.50	652,607.50
07/01/2027	6,330,000	5.000%	954,750.00	7,284,750.00			
01/01/2028			796,500.00	796,500.00	8,081,250.00	8,735,489.70	654,239.70
07/01/2028	6,655,000	5.000%	796,500.00	7,451,500.00			
01/01/2029			630,125.00	630,125.00	8,081,625.00	8,733,392.80	651,767.80
07/01/2029	6,995,000	5.000%	630,125.00	7,625,125.00			
01/01/2030			455,250.00	455,250.00	8,080,375.00	8,733,225.80	652,850.80
07/01/2030	7,355,000	5.000%	455,250.00	7,810,250.00			
01/01/2031			271,375.00	271,375.00	8,081,625.00	8,734,810.90	653,185.90
07/01/2031	7,730,000	5.000%	271,375.00	8,001,375.00			
01/01/2032			78,125.00	78,125.00	8,079,500.00	8,735,009.00	655,509.00
07/01/2032	3,125,000	5.000%	78,125.00	3,203,125.00			
01/01/2033			0.00	0.00	3,203,125.00	4,017,374.20	814,249.20
	\$65,495,000		\$20,924,954.86	\$86,419,954.86	\$86,419,954.86	\$94,683,172.93	\$8,263,218.07
						Less: Sinking Fund Contrib.	(814,241.15)
						Plus: Miscellaneous	<u>7,235.31</u>
						Net Savings	\$7,456,212.23

**Washoe County, Nevada**  
**General Obligation (Limited Tax)**  
**Reno-Sparks Convention & Visitors Authority Refunding Bonds**  
**(Additionally Secured by Pledged Revenues)**  
**Series 2021A**  
**Coverage Summary**

Fiscal Year	Pledged Revenue <sup>1</sup>	Existing Debt Service <sup>2</sup>	Proposed Bonds				Combined	
			Principal	Interest	Cash Contrib.	Total	Debt Service	Coverage
2021	\$14,712,302	\$8,781,196					\$8,781,196	1.675
2022	14,712,302	0	\$0	\$2,410,580	\$5,397,741	\$7,808,321	7,808,321	1.884
2023	14,712,302	0	4,930,000	3,151,500		8,081,500	8,081,500	1.820
2024	14,712,302	0	5,180,000	2,898,750		8,078,750	8,078,750	1.821
2025	14,712,302	0	5,450,000	2,633,000		8,083,000	8,083,000	1.820
2026	14,712,302	0	5,725,000	2,353,625		8,078,625	8,078,625	1.821
2027	14,712,302	0	6,020,000	2,060,000		8,080,000	8,080,000	1.821
2028	14,712,302	0	6,330,000	1,751,250		8,081,250	8,081,250	1.821
2029	14,712,302	0	6,655,000	1,426,625		8,081,625	8,081,625	1.820
2030	14,712,302	0	6,995,000	1,085,375		8,080,375	8,080,375	1.821
2031	14,712,302	0	7,355,000	726,625		8,081,625	8,081,625	1.820
2032	14,712,302	0	7,730,000	349,500		8,079,500	8,079,500	1.821
2033	14,712,302	0	3,125,000	78,125		3,203,125	3,203,125	4.593
		\$8,781,196	\$65,495,000	\$20,924,955	\$5,397,741	\$91,817,696	\$100,598,891	

<sup>1</sup> Based on budgeted pledged revenues for FY2021.

<sup>2</sup> Net of refunding impact.

**WASHOE COUNTY, NEVADA  
GENERAL OBLIGATION (LIMITED TAX)  
RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
REFUNDING BONDS  
(ADDITIONALLY SECURED WITH PLEDGED REVENUES)  
SERIES 2021**

CERTIFICATE OF PRESIDENT PURSUANT TO NRS 350.155

IT IS HEREBY CERTIFIED by the undersigned, President and Chief Executive Officer of the Reno-Sparks Convention & Visitors Authority (the "Authority"), issuer of above captioned Bonds (the "Bonds") in the name of and on behalf of Washoe County, Nevada (the "County"), being issued for the purposes described in the resolution of the Board of Directors of the Authority to be adopted on February 25, 2021, authorizing the issuance of the Bonds (the "Bond Resolution"):

1. As described in the report of JNA Consulting Group LLC, as financial advisor to the Authority and the County in connection with the Bonds, attached to this certificate and made a part hereof, the Bonds are being sold at a time when, because of particular conditions in the market, a negotiated sale may provide a benefit to the Authority which would not be available if the Bonds were sold by competitive bid. The estimated amount of benefit which will accrue to the Authority is stated in the attached report.
2. The particular conditions in the market which indicate that a negotiated sale of the Bonds may provide a benefit to the Authority are the effect of the COVID-19 virus on tourism and visitation resulting in fluctuations in room taxes and associated revenues which comprise most of its revenues and investor concern about the creditworthiness of borrowers similar to the Authority with economic exposure to tourism fluctuations. A negotiated sale will provide the Authority with greater pre-sale activity and outreach to investors and direct discussions with investors which may reduce the interest rate on the Bonds.

WITNESS my hand as of on 2/22/, 2021.



President and Chief Executive  
Officer of Reno-Sparks Convention &  
Visitors Authority, Nevada



## **JNA Consulting Group, LLC**

***Independent Registered Municipal Advisor***

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To: Robert Chisel, VP of Finance and Operations, Reno-Sparks Convention & Visitors Authority

From: JNA Consulting Group, LLC

Date: February 19, 2021

RE: Proposed Method of Sale for RSCVA Convention Center Refunding Bonds, Series 2021

As required under Nevada Revised Statutes ("NRS") 350.155, this report serves as the financial advisor's certification of the potential benefits available by utilizing a negotiated method of sale for the Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2021 (the "Bonds").

The Bonds are being issued to refinance outstanding bonds of the Reno-Sparks Convention & Visitors Authority (the "Authority") for debt service savings. NRS 350.155(2)(j) provides that the Bonds may be sold in a negotiated sale if the Bonds are sold at a time when, because of particular conditions in the market, a negotiated sale may provide a benefit which would not be available to the Authority if the Bonds were sold by competitive bid. We believe this section of statute applies to the Bonds for the following reasons:

- The COVID-19 virus continues to affect tourism and travel worldwide. The Authority's financial outlook is directly affected by the effects of the COVID-19 virus on tourism and visitation resulting in fluctuations in room taxes and associated revenues comprising most of its revenues. Tourism within the Authority's visitation area has fallen far below multi-year trends and will continue to remain below historic levels while COVID-19 affects domestic and international travel.
- While some municipal borrowers with similar economic exposure as the Authority (convention centers, stadiums, mass transit, etc.) have utilized extraordinary measures such as bond restructurings, unscheduled draws on reserve funds, and direct appeals for federal assistance to weather the current economic downturn, the Authority has not taken similar steps or announced plans to do so. These actions create investor concern about the creditworthiness of borrowers similar to the Authority, and by association, the Authority, which is addressed through communication in a negotiated sale.
- A competitive sale of bonds does not provide the Authority an opportunity to directly engage investors. In a competitive sale, there is limited interaction between issuer and investor which often results in a "take it or leave it" marketing of the bonds. A negotiated sale provides the Authority, through the underwriter, a platform for detailed and comprehensive dialogue with investors. In a negotiated sale, specific investor questions can be addressed and resolved, which provides for a more informed investment decision.

Due to the factors described above, we believe a negotiated sale provides a material benefit to the Authority. A negotiated sale allows for greater pre-sale activity, and outreach and direct discussions with bond investors. We expect that utilizing a negotiated sale may reduce the interest rate on the Bonds by approximately 0.15%. This lower interest rate may result in additional savings of approximately \$700,000.

If you have any questions, please contact John Peterson at (702) 294-5100.

**WASHOE COUNTY, NEVADA  
GENERAL OBLIGATION (LIMITED TAX) RENO-SPARKS CONVENTION &  
VISITORS AUTHORITY REFUNDING BONDS  
(ADDITIONALLY SECURED WITH PLEDGED REVENUES)  
SERIES 2021**

**2021 Reno-Sparks Convention & Visitors Authority Refunding Bond Resolution**

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## RESOLUTION

**A RESOLUTION AUTHORIZING THE ISSUANCE OF THE "WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) RENO-SPARKS CONVENTION & VISITORS AUTHORITY REFUNDING BONDS (ADDITIONALLY SECURED WITH PLEDGED REVENUES) SERIES 2021" FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE SECURITY THEREFOR AND OTHER DETAILS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF.**

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

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

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

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

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

WHEREAS, other than the 1999B CABs (as defined herein), the 2011 Bonds (as defined herein) and the 2019A&B Bonds (as defined herein), the Authority has never pledged nor in any way hypothecated the Pledged State Revenues to the payment of any bonds or for any other purpose; and

WHEREAS, the County Board was and is still authorized to fix and impose a license tax for revenue on and to regulate all character of lawful trades, callings, industries, occupations, professions and businesses conducted in the County outside of the limits of the incorporated cities and towns pursuant to NRS 244.335 (the "County Tax Act"), and pursuant to the County Tax Act the County Board has fixed and imposed license taxes for revenue upon hotels and motels and certain other rental businesses ("County License Taxes"), has ordered the collection of such County License Taxes, and has prescribed other details in connection therewith; and

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

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

WHEREAS, except for the Facilities Bonds and the 1999B CABs which are no longer Outstanding, the 2011 Bonds and the 2019A&B Bonds, the Authority has never pledged nor in any way hypothecated the Facilities Net Revenues or the Local License Taxes to the payment of any bonds or for any other purpose; and

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

WHEREAS, the Authority, in the name of and on behalf of the County has heretofore issued its "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019A" (the "2019A Bonds") and the "Washoe County, Nevada, Taxable/Tax-Exempt General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues), Series 2019B" (the "2019B Bonds" and together with the 2019A Bonds, the "2019A&B Bonds"); and

WHEREAS, pursuant to NRS 350.684, the Authority has determined and does hereby declare that it is in the best interests of the Authority to issue general obligation bonds in the name of and on behalf of the County in order to refund certain maturities of the 2011 Bonds (the "2011 Refunded Bonds") designated in the Bond Purchase Agreement (hereinafter defined) and certain maturities of the 2019A&B Bonds (the "2019A&B Refunded Bonds" and collectively with the 2011 Refunded Bonds, the "Refunded Bonds") designated in the Bond Purchase Agreement (collectively, the "Project"); and

WHEREAS, the Authority has determined to issue bonds in the aggregate principal amount set forth in the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated on or before the date of delivery of the Bonds, between the Authority and RBC Capital Markets, LLC, as representative on behalf of itself and Wells Fargo Securities (collectively, the "Underwriters"), such bonds to be designated the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with

Pledged Revenues) Series 2021" (the "Bonds") for the purpose of effecting the Project and to offer the Bonds for sale; and

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

WHEREAS, the Authority hereby authorizes the Director of Finance of the Authority (the "Director of Finance") to sell the Bonds by negotiated sale to the Underwriters; and

WHEREAS, pursuant to NRS 350.155, a certificate of the President (the "Certificate of the President"), as chief administrative officer of the Authority, and a report of the Authority's financial advisor have been submitted to the Secretary of the County Board and are hereby approved; and

WHEREAS, the Authority has determined and does hereby declare that it is in the best interests of the Authority to issue the Bonds in the aggregate principal amount to be determined by the Director of Finance (not to exceed \$70,000,000) and delegates to the Director of Finance, as the chief financial officer of the Authority, or in such officer's absence, the President as chief administrative officer of the Authority, the authority to accept and execute the Bond Purchase Agreement between the Authority and the Underwriters to sell the Bonds at negotiated sale, subject to the requirements set forth herein; and

WHEREAS, the Bonds are to bear interest at the rates per annum provided in the Bond Purchase Agreement, which rates shall not exceed by more than 3% the "Index of Twenty Bonds" which was most recently published in The Bond Buyer before a negotiated offer to purchase the bonds is accepted or bids are received, and are to be sold at a price equal to the principal amount thereof, plus accrued interest from the date of the Bonds to the date of delivery of the Bonds, plus a premium or less a discount not exceeding 9% of the principal amount thereof, all as specified by the Director of Finance, or in such officer's absence the President, in the Bond Purchase Agreement; and

WHEREAS, there have been filed with the Secretary of the Authority:

the forms of Continuing Disclosure Certificate of the Authority and Continuing Disclosure Certificate of the County each to be dated as of the date of delivery of the Bonds (the "Continuing Disclosure Certificates");

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

the form of the Escrow Agreement (the "Escrow Agreement") between the County by and through the Authority and Zions Bancorporation, National Association, as the escrow agent (the "Escrow Agent"); and

the form of the Bond Purchase Agreement; and

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

**ARTICLE I**  
**SHORT TITLE, DEFINITIONS, INTERPRETATION,**  
**RATIFICATION, TRANSMITTAL, AND EFFECTIVE DATE**

Section 101. Short Title. This resolution shall be known as and may be designated by the short title "2021 Reno-Sparks Convention & Visitors Authority Refunding Bond Resolution" (the "Resolution").

Section 102. Meanings and Construction.

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

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

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

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

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

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

"Authority Board" means the Board of Directors of the Reno-Sparks Convention & Visitors Authority, in the State of Nevada, including any successor authority of the Authority.

"Authority Treasurer" means the de jure or de facto treasurer chosen and designated as treasurer by the Authority, or such officer's successor in functions, if any.

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

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

"Bond Fund" means the special account designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues) Series 2021, Pledged Revenues Interest and Principal Retirement Fund," created in Section 401 hereof, and required to be accumulated and maintained in Section 604 hereof.

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

"Bonds" means, the securities issued hereunder and designated as the Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues) Series 2021.

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

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

"1999B CABs" means securities which are no longer Outstanding designated as the "Washoe County, Nevada (Reno Sparks Convention & Visitors Authority) General Obligation (Limited Tax) Convention Center Capital Appreciation Bonds (Additionally Secured With Pledged Revenues), Series 1999B" authorized and issued in the initial aggregate principal amount of \$19,384,074.60.

"Capital Appreciation Bonds" means any Outstanding Parity Security issued as a capital appreciation bond by the Authority.

"Chair" means the de jure or de facto chair of the Authority, or such officer's successor in functions, if any.

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

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

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

"Clerk" or "County Clerk" means the de jure or de facto county clerk of the County and designated as such by the County, or such officer's successor in functions, if any.

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

"Comparable Bond Year" means, in connection with any Fiscal Year, the Bond Year which commences in the Fiscal Year. For example, for the Fiscal Year commencing on July 1, 2021, the Comparable Bond Year commences on July 2, 2021 and ends on July 1, 2022.

"Cooperative Agreement" means the "Reno-Sparks Convention & Visitors Authority/Washoe County Cooperative Agreement Regarding General Obligation Backing of Bonds", dated November 23, 1999, as amended, between the County and the Authority as such agreement may be further amended or restated.

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

Preliminary expenses advanced by the County or Authority from funds available for use therefor or from any other source, or advanced with the approval of the County or Authority 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);



The costs of making surveys, audits, preliminary plans, other plans, specifications, estimates of cost and other preliminaries;

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

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;

The costs of contingencies;

The costs 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;

The costs of amending any ordinance, resolution or other instrument authorizing the issuance of or otherwise relating to the Bonds or other securities relating to the Facilities; and

All other expenses necessary or desirable and relating to the Project, as estimated or otherwise ascertained by the Authority.

"Costs of Issuance Account" means the separate account created in Section 401 and known as the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues) Series 2021, Costs of Issuance Account" to be used for the purpose of paying the costs of issuance of the Bonds.

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

"County Assistant County Manager" means the County's Assistant County Manager of for Finance and Administration or County's Finance Director, or any acting officer, or such officer's successor in functions, if any.

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

"County License Taxes" means the License Taxes for revenue upon hotels and motels fixed by the County, acting by and through the County Board, and assigned and pledged to the Bonds, acting by and through the Authority, pursuant to the County Tax Act and the Project Act

and all laws supplemental thereto, and includes any License taxes subsequently substituted therefor.

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

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

"Director of Finance" means the Director of Finance of the Authority or the Vice President of Finance and Operations of the Authority, including the Acting Director of Finance or the Acting Vice President of Finance and Operations and in the event there is no acting officer, the President of the Authority, or such officer's successor in functions, if any.

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

"Escrow Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues) Series 2021, Escrow Account" created in Section 401 herein.

"Escrow Agreement" means the agreement between the County by and through the Authority and the Escrow Agent relating to the refunding of the 2011 Refunded Bonds.

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

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

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

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

"Facilities Net Revenues" means all the Facilities Revenues (after deduction of the Operation and Maintenance Expenses of the Facilities).

"Facilities Pledged Revenues" means the Facilities Net Revenues and all of the proceeds from the Local License Taxes, including interest and penalties, but excluding the reasonable and actual costs of the collection of the Local License Taxes not exceeding for any collection period an amount equal to 10% of the gross revenues collected from the Local License Taxes as provided in Section 922 hereof. In clarification of the foregoing term: (i) all investment income from any fund or account established under the Facilities Bond Resolutions shall be treated as a part of the Facilities Net Revenues; and (ii) with respect to the Local License Taxes, nothing herein shall be deemed to be an assignment or pledge of Local License Taxes other than the Local License Taxes to be assigned and pledged by the Authority to the Bonds.

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

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

"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.

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

"General Tax Interest Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds, Series 2021, General Tax Interest Fund," created in Section 501 hereof.

"General Tax Principal Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds, Series 2021, General Tax Principal Fund," created in Section 501 hereof.

"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).

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

"Improve" or "improvement" means the extension, widening, lengthening, betterment, alteration, reconstruction or other major improvement, or any combination thereof, of the Convention Center, or the acquisition of any properties relating to the Convention Center or an interest therein, but does not mean renovation, reconditioning, patching, general maintenance or other minor repair occurring periodically at annual or shorter intervals.

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

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

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

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

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

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.

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

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

"NRS" means Nevada Revised Statutes.

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

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

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

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

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

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

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

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

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

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

Any lawful refunds of any Pledged Revenues;

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

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

Excluding any allowance for depreciation;

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

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

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

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;

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

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

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

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

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

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

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

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

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

"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.

"Parity Securities" means the 2011 Bonds, the 2019A&B Bonds and any other bonds or securities issued as general or special obligations of the County and which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds herein authorized.

"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.

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

"Pledged State Revenues" means the two percent of the gross receipts from the rental of transient lodging distributed to the Authority for the Project and the payment of the Bonds pursuant to Section 2(1) of the Project Act, including interest and penalties thereon. In clarification of the foregoing term: all investment income from any fund or account established

under this Resolution (other than the Rebate Fund and the Revenue Stabilization Account) shall be treated as a part of the Pledged State Revenues.

"Project" means the refunding of the 2011 Bonds and the 2019A&B Bonds designated in the Escrow Agreement and paying the costs of issuance of the Bonds.

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

"Rebate Fund" means the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds, Series 2021, Rebate Fund" created in Section 609 hereof.

"Redemption Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues) Series 2021, Redemption Account" created in Section 401 herein.

"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.

"Redemption Price" means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount (or Appreciated 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.

"Refunded Bonds" means the 2011 Refunded Bonds and the 2019A&B Refunded Bonds to be refunded by the Bonds as designated in the Bond Purchase Agreement.

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

"Reno" means the City of Reno, Nevada.

"Revenue Stabilization Account" means the means the "Washoe County, Nevada, Reno-Sparks Convention & Visitors Authority Revenue Stabilization Account" heretofore created and continued in Section 409 of the resolution authorizing the issuance of the 2011 Bonds and the 2019A&B Bonds and continued herein.

"Secretary" means the de jure or de facto secretary of the Authority and designated as such by the Authority, or such officer's successor in functions, if any.

"Sparks" means the City of Sparks, Nevada.

"Special Record Date" means a special date fixed by the Trustee 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 Section 302 hereof. At least 10 days' notice will be given by the Trustee electronically or otherwise to each owner of a Bond as stated on the Trustee's registration list at the close of business on a date fixed by the Trustee, stating the date of the Special Record Date and the due date fixed for the payment of such defaulted interest.

"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.

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

"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.

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

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

"Taxes" means General Taxes.

"Trust Bank" means a "Banking Institution," as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

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

"Underwriters" means the lawful purchasers of the Bonds designated in the Bond Purchase Agreement.

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

Words in the singular number include the plural, and words in the plural include the singular.

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.



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

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

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

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

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

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

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

Section 107. Repealer. All bylaws, orders and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of the inconsistency. This repealer

shall not be construed to revive any bylaw, order or other instrument, or part thereof, heretofore repealed.

Section 108. Severability. If any section, subsection, paragraph, clause or other provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution.

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

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

Section 201. Authority for this Resolution. This Resolution is adopted by virtue of the Act, the Project Act, and the Bond Act and pursuant to their provisions; and the County and the Authority have ascertained and hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effectuate the purposes of the County and the Authority in accordance with the Act, the Project Act, 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.

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

- A. Estimated Life. The estimated life or estimated period of usefulness of the Improvements to be refinanced by the Bonds does not exceed the maturity of the Bonds.
- B. Bond Term. The Bonds shall mature at times not exceeding such estimated life or estimated period of usefulness.

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

Section 204. Acceptance of Bond Purchase Agreement and Escrow Agreement; Authorization of Use of Official Statement; Approval of the Certificate of the President. In accordance with the Project Act and with this Resolution, the Director of Finance, or in such officer's absence, the President, is authorized to accept and execute the Bond Purchase Agreement for the sale of the Bonds. The Director of Finance is authorized to execute the Escrow Agreement subject to the terms of this Resolution and in substantially the form on file with the Secretary of the Authority, with such changes as are acceptable to the Director of Finance, or in such officer's absence the President, whose execution of the Escrow Agreement shall be conclusive evidence of consent to any such changes. The form of the Preliminary Official Statement on file with the Secretary of the Authority is deemed to be a "final" official

statement as of its date for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (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), with such changes and additions as the Director of Finance determines necessary or appropriate. The Director of Finance is hereby authorized and directed to execute and deliver, on behalf of the County, the final official statement, with such changes or additions as the Director of Finance 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. The Certificate of the President is hereby approved pursuant to NRS 350.155(4).

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

Section 206. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the County shall be for the equal benefit, protection and security of the owners of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Resolution.

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

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

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

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

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

Section 301. Authorization of Bonds. The "Washoe County, Nevada (Reno-Sparks Convention & Visitors Authority) General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally Secured with Pledged Revenues) Series 2021" to be issued in the aggregate principal amount designated in the Bond Purchase Agreement, are hereby authorized to be issued, pursuant to the Act, the Project Act and the Bond Act the proceeds of which shall be used solely to defray wholly or in part the Cost of the Project; and the Authority pledges irrevocably, as ratified by the County in the County Ordinance, but not necessarily exclusively, the Pledged Revenues to the payment of the Bond Requirements of the Bonds.

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 the date of delivery of the Bonds. Except as provided in Section 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 more than one Bond may be issued for any maturity date). The Bonds shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates shown in the Bond Purchase Agreement from their date until their respective fixed maturity dates, payable on July 1 and January 1 of each year, commencing on January 1, 2022, except that Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown in the Bond Purchase Agreement 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 in the designated amounts and years as set forth in the Bond Purchase Agreement.

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 Trustee or at such other office as designated by the Trustee. 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 Section 307 hereof, payment of interest on any Bond shall be made by the Trustee to the registered owner thereof by wire, check or draft, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), at such owner's 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 Trustee 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 electronically or otherwise 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 Trustee 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 Trustee. All such payments shall be made in lawful money of the United States of America, without deduction for the services of the Trustee, except any tax withholdings as applicable.

Section 303. Prior Redemption.

- A. Optional Redemption. Bonds, or portions thereof, maturing on and after the date set forth in the Bond Purchase Agreement shall be subject to redemption prior to their respective maturities, at the option of the Authority in the name and on behalf of the County, as directed by the Director of Finance on and after the date set forth in the Bond Purchase Agreement, in whole at any time or in part at any time, from such maturities as are selected by Authority as directed by the Director of Finance, 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 Trustee may determine, for the principal amount of each Bond or portion thereof so redeemed and accrued interest thereon to the redemption date, and a premium, if any, computed in accordance with the schedule set forth in the Bond Purchase Agreement.
- B. Mandatory Redemption. The Bonds maturing on the dates, if any, set forth in the Bond Purchase Agreement (collectively, 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 the dates set forth in the Bond Purchase Agreement, a sum which, together with other moneys available in the Bond Fund, is sufficient to redeem (after credit is provided below) on the dates and the principal amounts of the Term Bonds as set forth in the Bond Purchase Agreement, plus accrued interest to the redemption date.

At the option of the Authority to be exercised by delivery of a written certificate of the Director of Finance to the Trustee not less than sixty days next preceding any sinking fund redemption date, it may (i) deliver to the Trustee for cancellation Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the Authority on behalf of 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 Trustee 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 Trustee at 100% of the principal amount thereof against the obligation of the Authority on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the Authority determines. In the event the Authority 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 Resolution, 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 or B of this Section, as appropriate, in which case the Trustee, except as provided in Section 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 or B hereof, the Trustee shall select the Bonds to be redeemed by lot at such time as directed by the Director of Finance (but at least 20 days prior to the redemption date), and if such selection is more than 60 days before a redemption date, shall direct the Trustee 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 Trustee for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Trustee 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 Trustee, electronically or otherwise at least 20 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 such owner's address as it last appears on the registration records kept by the Trustee. 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 Trustee (accrued interest to the Redemption Date being payable by mail or as otherwise provided in this Resolution), 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 notice by the Purchaser or any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice electronically or otherwise 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 written notification by the Trustee 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 such owner failed actually to receive such notice of redemption. Notwithstanding the foregoing provisions of this Section, the redemption may be cancelled by written notice to the Trustee by delivery of written direction by the Director of Finance not less than twenty-five days next preceding any redemption date.

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

Section 305. Negotiability. Subject to Section 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 Section 307 hereof:

- A. Registration and Transfer. Records for the registration and transfer of the Bonds shall be kept by the Trustee. Upon the surrender for transfer of any Bond at the Trustee, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount or value at maturity, as the case may be, and of the same maturity bearing a number or numbers not previously assigned. Bonds may be exchanged at the Trustee for an equal aggregate principal amount or value at maturity, as the case may be, of Bonds of the same maturity of other authorized denominations, as provided in Section 302 hereof. The Trustee 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, the Authority, or the Trustee may make a sufficient charge to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing and authenticating 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 Trustee 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 a notice of prior redemption of Bonds is sent electronically or otherwise by the Trustee and ending at the close of business on the day such notice is sent, or (ii) any Bond after the notice is sent electronically or otherwise 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 Trustee, shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof (except to the extent otherwise provided in Section 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 Trustee shall, upon receipt of such evidence, information or indemnity relating thereto as it, the Trustee, or the Authority on the behalf and in the name of 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 Trustee may direct that such Bond be paid by the Trustee in lieu of replacement, providing sufficient indemnification satisfactory to the Trustee is provided to the Trustee as the case may be.
- E. Cancellation of Bond upon Payment or Reissuance. Whenever any Bond shall be surrendered to the Trustee upon payment thereof, or to the Trustee for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Trustee or Trustee, and counterparts of a certificate of such cancellation shall be furnished by the Trustee or Trustee to the County Treasurer and the Authority, upon request.

Section 307. Custodial Deposit.

- A. Notwithstanding the foregoing provisions of Sections 302 to 306 hereof, the Bonds shall initially be evidenced by one Bond for each year and interest rate 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 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 Authority 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 Authority of another depository institution acceptable to the Authority and to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in 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 Authority 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 Authority, 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 Bonds by the Trustee, together with written instructions for transfer satisfactory to the Trustee, 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 Bonds by the Trustee, together with written instructions for transfer satisfactory to the Trustee, 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 Section 302 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions: however, the Trustee 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 Authority, the County, and the Trustee 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 Authority, the County, and the Trustee shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to subsection A hereof.
- D. The Authority, the County, and the Trustee 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 Trustee 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 chapter 351 of NRS, and prior to the execution of any Bonds by facsimile signature, the Chair of the Board of County Commissioners of the County, the County Clerk, the County Treasurer and the Chair of the Authority shall each file with the Secretary of State of the State of Nevada such officer's 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, electronic or facsimile of the signature of

the Chair of the Board of County Commissioners and shall be countersigned and executed with the manual, electronic or facsimile of the signatures of the County Treasurer and the Chair of the Authority and shall be authenticated with the manual or facsimile impression of the official seal of the County; and shall be signed, executed, and attested with such a manual, electronic 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 or electronically executed by the Trustee. The Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually or electronically signed by an authorized officer or employee of the Trustee, 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 Resolution, the Trustee shall be deemed to have assented to all of the provisions of this Resolution.

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 Chair of the County Board, the Chair of the Authority, the County Treasurer, and County Clerk, at the time of the execution of the Bonds and of a signature certificate pertaining thereto by the Chair of the County Board, the Chair of the Authority, the Treasurer and the County Clerk, respectively, may adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 310. Incontestable Recital in Bonds. Pursuant to NRS 350.628, each Bond shall recite that it is issued pursuant to the Act, the Project Act, and to the 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 NRS 350.710, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A, NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B, NRS.

Section 312. Bond Execution. The Chair of the Board of County Commissioners, the Authority Chair, 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 registration of the Bonds by the Treasurer and Trustee pursuant to Section 306 and after their execution and authentication pursuant to Section 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 Resolution, each Bond shall be in substantially the following applicable form, with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this resolution, or be consistent with this resolution and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**WASHOE COUNTY, NEVADA  
(RENO-SPARKS CONVENTION & VISITORS AUTHORITY)  
GENERAL OBLIGATION (LIMITED TAX)  
RENO-SPARKS CONVENTION & VISITORS AUTHORITY BOND  
(ADDITIONALLY SECURED WITH PLEDGED REVENUES)  
SERIES 2021**

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

**Interest Rate**                      **Maturity Date**                      **Dated As Of**                      **CUSIP**  
\_\_\_\_\_% per annum                      July 1, \_\_\_\_\_, 2021

**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 July 1 and January 1 of each year commencing on January 1, 2022, 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 designated by Zions Bancorporation, National Association, as trustee for the Bond (the "Trustee"), or such other office as designated by the Trustee. 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 wire, check or draft to the person in whose name this Bond is registered (the "Registered Owner") in the registration records maintained by the Trustee 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 Trustee 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 Trustee, except any tax withholdings as applicable. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and Trustee as provided in the resolution of the Reno-Sparks Convention & Visitors

Authority (the "Authority") adopted and approved on February 25, 2021 authorizing the issuance of the Bonds (the "Resolution") as ratified by an ordinance of the County adopted and approved on March 9, 2021.

\*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 Trustee but only in the manner, subject to the limitations, and on payment of the charges provided in the Resolution.\*

\*The Trustee 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 Trustee 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 Resolution.\*\*

\*\*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority 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.\*\*

\*\*\*The Bonds are subject to optional and mandatory redemption as set forth in the Resolution and the Bond Purchase Agreement dated on or before the date of delivery of the Bonds.\*\*\*

\*In the case of Bonds of a denomination larger than \$5,000, a portion of such Bonds (\$5,000 of the principal amount thereof, or any integral multiple thereof) may be redeemed, in which case the Trustee 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 Resolution.\*

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 Trustee in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Resolution. No transfer of this Bond shall be valid unless made on the registration records maintained at the corporate trust office of the Trustee by the Registered Owner or his attorney duly authorized in writing.

The County, the Authority and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the Resolution with respect to Regular and

Special Record Dates for the payment of interest) and for all other purposes and the County, Authority and the Trustee shall be not affected by notice to the contrary.

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

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

The payment of the Bonds, as to all Bond Requirements, is additionally secured by an irrevocable pledge of the Pledged Revenues which are comprised of: (1) the two percent of the gross receipts from the rental of transient lodging distributed to the Authority for the Project and the payment of the Bonds pursuant to Section 2(1) of the Project Act, including interest and penalties thereon and also including all investment income from any fund or account established under the Resolution (the "Pledged State Revenues") and (2) a pledge of (a) the revenues derived by the County from the operation of the County's exposition and convention hall buildings, incidental recreational facilities therefor, and certain other recreational facilities of the County under the Authority's jurisdiction, operated and maintained by the Authority, including, without limitation, public parks, playgrounds, other recreational facilities, buildings therefor, improvements incidental thereto, and sites and grounds, equipment and furnishings therefor, all as from time to time extended or otherwise improved, or any combination thereof (the "Facilities") after the deduction of Operation and Maintenance Expenses of the Facilities, and (b) revenues derived by the County from the collection of certain license taxes further described in the Resolution fixed and imposed for revenues by the County and the Cities of Reno and Sparks upon certain operators of the hotels and motels and certain other rental businesses but excluding the reasonable costs of the collection of the license taxes not exceeding for any collection period an amount equal to ten percent per annum (10%) of the gross revenues collected therefrom (the "Facilities Net Revenues" and the "Local License Taxes", respectively, and collectively designated the "Facilities Pledged Revenues" and together with the Pledged State Revenues, the "Pledged Revenues").

Payment of the Bond Requirements due in connection with the Bonds may be made from and as security for such payment there is irrevocably and exclusively pledged, pursuant to the Resolution, a special account thereby created and identified as the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues) Series 2021, Pledged Revenues Interest and Principal Retirement Fund", into which account the County covenants to pay from the revenues derived from the Pledged Revenues sums sufficient to pay when due the Bond Requirements of the Bonds, except to the extent other moneys are available therefor.

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

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

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

The Bonds are issued pursuant to the Act, the Project Act, and the Local Government Securities Law, and pursuant to NRS 350.628, Local Government Securities Law, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 350.710, Local Government Securities Law, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof except the tax on estates imposed pursuant to chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to chapter 375B of NRS.

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

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

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

This Bond shall not be valid or obligatory for any purpose until a manual or electronic signature of a duly authorized officer of the Trustee 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 electronic, manual or facsimile signature of the Chair of its Board of County Commissioners, to be countersigned and executed with the electronic, manual or facsimile signature of the County Treasurer and to be countersigned, subscribed and executed with the electronic, manual or facsimile signature of the Chair of the Reno-Sparks Convention & Visitors Authority and has caused a manual. Electronic or facsimile of the seal of the County to be affixed hereon; and has caused this Bond to be signed, executed and attested with the electronic, manual or facsimile signature of the County Clerk, all as of dated date above.

COUNTY OF WASHOE, NEVADA

(Electronic, Manual or Facsimile Signature)  
Chair  
Board of County Commissioners

Countersigned:

(Electronic, Manual or Facsimile Signature)  
County Treasurer

(Manual or Facsimile of County Seal)

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

Attest:

(Electronic, Manual or Facsimile Signature)  
County Clerk



\* Insert only if Bonds are delivered pursuant to Section 307(A)(3) of this Resolution.  
\*\* Insert only if Bonds are initially delivered to the Depository Trust Company pursuant to Section 307(A) of this Resolution.  
\*\*\* Insert if applicable.

(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 Resolution, and this Bond has been duly registered on the registration records kept by the undersigned as Trustee for such Bonds.

ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

(End of Form of Certificate of Authentication for Bonds)

**\*\* (Form of Prepayment Panel for Bonds)**

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

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

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**(End of Form of Prepayment Panel for Bonds)\*\***

\*(Form of Assignment for Bonds)

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

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

Signature Guaranteed:

Name and address of transferee:

Social Security or other tax  
identification number of  
transferee:

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

(End of Form of Assignment for Bonds)\*

[Add Statement of Insurance, if applicable]

**ARTICLE IV**  
**USE OF BOND PROCEEDS AND ESTABLISHMENT OF**  
**REVENUE STABILIZATION ACCOUNT**

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

- A. Bond Fund. First, there shall be credited to a separate and special account, held by the Trustee, hereby created and to be known as the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues) Series 2021, Pledged Revenues Interest and Principal Retirement Fund," all moneys 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 Section 610 hereof.
- B. Escrow Account. Second, there shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues) Series 2021, Escrow Account" to be held by the Escrow Agent in an amount sufficient, together with any other monies available therefor, to establish any initial cash balance remaining uninvested and to buy the Federal Securities, if any, designated in the Escrow Agreement for purchase by the Authority and credit to the Escrow Account with the Escrow Agent, to be used solely for the purpose of paying the bond requirements of the 2011 Refunded Bonds.
- C. Redemption Account. Third, there shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Bonds (Additionally Secured with Pledged Revenues) Series 2021, Redemption Account" to be held by trustee for the 2019A&B Refunded Bonds for the benefit of the Authority in an amount sufficient, together with any other monies available therefor, to be used solely for the purpose of paying the bond requirements of the 2019A&B Refunded Bonds.
- D. Costs of Issuance Account. Fourth, there shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds, Series 2021, Costs of Issuance Account" (the "Costs of Issuance Account") to be held by the Director of Finance to be used for the purpose of paying the costs of issuance of the Bonds. The Cost of Issuance Account shall be closed, upon the earlier of: 1) the date directed by the Director of Finance, 2) 12 months from the date of delivery of the Bonds, or 3) the date all monies are depleted from the Costs of Issuance Account.

Section 402. Moneys for Project. Except as otherwise provided herein, all moneys received and held by the Authority for the Project from all sources, except for the Escrow Account and the Redemption Account, including, without limitation, the Bond proceeds deposited in Costs of Issuance Account and any surplus Pledged Revenues appropriated by the

Authority for that purpose shall be deposited in the Costs of Issuance Account and except as herein otherwise expressly provided, shall be used and paid out solely for the purpose of defraying the Cost of the Project, including, without limitation, the costs of issuing the Bonds.

Section 403. Prevention of Bond Default. The Authority Treasurer shall use any Bond proceeds credited to the Costs of Issuance Account, without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys in the Bond Fund or moneys otherwise available therefor are insufficient for that purpose, unless the Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The Authority Treasurer shall provide written direction to the Trustee as to the amounts in the Costs of Issuance Account to be credited to pay the Bond Requirement. The Authority Treasurer shall promptly notify the Chair and the Secretary of any such use. Any moneys so used shall be restored to the Costs of Issuance Account, from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 603 through 609 hereof.

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

- A. Periodic Transfers. Prevents the Treasurer from causing to be transferred from the Costs of Issuance Account to the Bond Fund at any time before the termination of the Costs of Issuance Account any moneys which the Director of Finance determines will not be necessary for the Project; nor
- B. Limitations upon Transfers. Requires the transfer to the Bond Fund from the Costs of Issuance Account of any moneys in the Costs of Issuance Account derived from a source other than Bond Proceeds.

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

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

Section 407. Maintenance of Escrow Account and Redemption Account.

- A. The Escrow Account shall be maintained by the Authority in an amount at the time of the initial deposits therein and at all times subsequently at least sufficient, together with the

known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities, to pay the interest due in connection with the 2011 Refunded Bonds, both accrued and not accrued, as the same become due up to and including the Redemption Date for the 2011 Refunded Bonds; and to redeem, on such date the 2011 Refunded Bonds then Outstanding in accordance with the ordinance authorizing the issuance of the 2011 Refunded Bonds.

- B. Moneys shall be withdrawn by the Escrow Agent from the Escrow Account in sufficient amounts and at such times to permit the payment without default of interest due in connection with the 2011 Refunded Bonds, and in accordance with the provisions of the Escrow Agreement, shall cause the notice of call for prior redemption of the then Outstanding 2011 Refunded Bonds to be sent. Any moneys remaining in the Escrow Account after provision shall have been made for the redemption in full of the 2011 Refunded Bonds shall be applied to any lawful purpose of the Authority as directed by the Director of Finance.
- C. If for any reason the amount in the Escrow Account shall at any time be insufficient for its purpose, the Authority shall forthwith from the first moneys available therefor deposit in such account such additional moneys as shall be necessary to permit the payment in full of the principal, interest and any redemption premiums due in connection with the 2011 Refunded Bonds as herein provided.
- D. The Redemption Account shall be maintained by the trustee for the 2019A&B Bonds for the benefit of the Authority in an amount at the time of the initial deposits therein at least sufficient, to pay the interest due in connection with the 2019A&B Refunded Bonds, both accrued and not accrued, as the same become due up to and including the Redemption Date for the 2019A&B Refunded Bonds; and to redeem, on such date the 2019A&B Refunded Bonds then Outstanding in accordance with the ordinance authorizing the issuance of the 2019A&B Refunded Bonds.
- E. Moneys shall be withdrawn by the trustee for the 2019A&B Refunded Bonds from the Redemption Account in sufficient amounts and at such times to permit the payment without default of interest due in connection with the 2019A&B Refunded Bonds on the Redemption Date for the 2019A&B Bonds and the trustee for the 2019A&B Refunded Bonds shall cause the notice of call for prior redemption of the then Outstanding 2019A&B Refunded Bonds to be sent. Any moneys remaining in the Redemption Account after provision shall have been made for the redemption in full of the 2019A&B Refunded Bonds shall be applied to any lawful purpose of the Authority as directed by the Director of Finance.
- F. If for any reason the amount in the Redemption Account shall at any time be insufficient for its purpose, the Authority shall forthwith from the first moneys available therefor deposit in such account such additional moneys as shall be necessary to permit the payment in full of the principal, interest and any redemption premiums due in connection with the 2019A&B Refunded Bonds Refunded Bonds as herein provided.

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

Section 409. Revenue Stabilization Account. If required by the Cooperative Agreement, which may be amended from time to time, on or before June 30 of each Fiscal Year, the Authority will be required to deposit and maintain funds in the "Washoe County, Nevada, Reno-Sparks Convention & Visitors Authority Revenue Stabilization Account," held by the Trustee in the name of the County and the Authority, which account was heretofore created, continued in the resolution authorizing the issuance of the 2011 Bonds and the 2019A&B Bonds and is continued herein. Funds will be deposited into the Revenue Stabilization Account as required by the Cooperative Agreement which may be amended from time to time. Monies in the Revenue Stabilization Account may be used:

- A. If there are insufficient moneys in the Bond Fund, to pay the principal of and interest on the Bonds with the written approval of the County Assistant County Manager;
- B. If upon recommendation of the Authority Board, the County Board, in its discretion, by motion or resolution, provides for a withdrawal from the Revenue Stabilization Account and the County Assistant County Manager provides the Trustee written direction to effect the withdrawal; and
- C. To pay the last installment or installments of principal and interest on the Bonds, when due.

## **ARTICLE V GENERAL TAXES**

Section 501. General Tax Levies. Pursuant to NRS 350.596, the Bond Requirements of the Bonds falling due at any time when there are not on hand sufficient funds in the Income Fund to pay same, shall be paid out of the general fund of the Authority, the general fund of the County or out of any other funds that may be available for such purpose. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available for the payment of such Bond Requirements on other than a temporary basis) and for the purpose of the payment thereafter of the Bonds and the interest thereon there are hereby created and continued the separate and special accounts known respectively as the General Tax Principal Fund and as the General Tax Interest Fund. Pursuant to NRS 350.592 and 350.594, there shall be levied annually in each calendar year after the issuance of the Bonds until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the County fully sufficient to reimburse such funds for such installments of Bond Requirements, together with the revenue which will result from application of the rate to the net proceeds of minerals, to pay the interest

on the Bonds, and to pay and retire the same as hereinabove provided, and after there are made due allowances for probable delinquencies. The proceeds of the annual levies shall be duly credited to such separate accounts for the payment of the Bond Requirements, including any mandatory sinking fund payments pursuant to Section 303B hereof, 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 Section 2, Article. 10, Nevada Constitution, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the County.

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

Section 503. Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other General Taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept by the County Treasurer in the General Tax Principal Fund and in the General Tax Interest Fund, which shall be used for no other purpose than the payment of principal of and interest on the Bonds, the 2019A&B Bonds, the 2011 Bonds and any other Parity Securities hereinafter issued in accordance with this Resolution as the same fall due.

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

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



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

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

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

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

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

Maintenance Expenses of the Facilities, as determined solely by the Director of Finance. The Trustee is not responsible for the determination of the Operation and Maintenance Expenses of the Facilities.

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

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

- A. Monthly, commencing on the first of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, including, without limitation, the moneys, if any, provided in Section 401 hereof and taking into account the deposits to be made into the Bond Fund, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.
- B. Monthly, commencing on July 1 of the year preceding the first principal payment date, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds. The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due, including any mandatory sinking fund payments pursuant to Section 303B hereof, if any, redemption premiums, if any, principal and interest due on the Bonds.
- C. If the deposits due pursuant to Sections 604A and 604B above are not made in a timely fashion, the Trustee shall notify the County Assistant County Manager of that fact within 15 days after the deposit is due.

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

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

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

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

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

Section 609. Payment of Rebate. Fourth, and subject to the provisions hereinabove in this Article, there shall be transferred into the "Washoe County, Nevada, General Obligation (Limited Tax) Reno-Sparks Convention & Visitors Authority Refunding Bonds (Additionally

Secured With Pledged Revenues), Series 2021, Rebate Fund," hereby created and to be held by the Trustee, after making in full the monthly deposits required by Sections 604, 607 and 608 hereof, but prior to the transfer of any Pledged Revenues to the payment of Subordinate Securities, such amounts as are required (as specified by the Authority Director of Finance) to be deposited therein to meet the County's obligations under the covenant contained in Section 930 hereof, in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Fund shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Fund in excess of those required to be on deposit therein by Section 930 hereof and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose relating to the Convention Center. Such transfers shall be made concurrently with deposits, if any, required to be made in the rebate funds established for any additional Parity Securities.

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

The Rebate Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw funds from the Rebate Fund for the purposes set forth in Section 609 hereof, which authorization and direction the Trustee hereby accepts. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority Director of Finance, including supplying all necessary information in the manner provided and available to it and shall have no liability or responsibility to enforce compliance by the Authority.

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

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

general obligations or special obligations, and regardless of whether the respective proceedings authorizing or otherwise relating to the issuance of the securities provides for their payment from Pledged Revenues.

## **ARTICLE VII GENERAL ADMINISTRATION**

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

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

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

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

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

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

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

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

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

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

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

## **ARTICLE VIII SECURITIES LIENS AND ADDITIONAL SECURITIES**

Section 801. Lien of Bonds. The Bonds authorized herein are equitably and ratably secured by a lien on the Pledged Revenues, and the Bonds, constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with the lien on the Pledged Revenues securing the 2011 Bonds and the 2019A&B Bonds. Bonds and other securities, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien of the Bonds. Bonds and other securities having a lien on the Pledged Revenues on a parity with the lien thereof of the Bonds may also be issued, subject to expressed conditions.

Section 802. Equality of Bonds. The Bonds, the 2019A&B Bonds, the 2011 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, the 2019A&B Bonds, the 2011 Bonds

and any Parity Securities hereafter authorized to be issued, regardless of the fact that they may be actually issued and delivered at different times.

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

- A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the County and the Authority shall not be in default in making any payments required by Sections 604 or 607 hereof.
- B. Historic Earnings Test. Except as hereinafter otherwise provided, the Pledged Revenues derived in either the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the additional Parity Securities or Superior Securities shall have been at least sufficient to pay an amount equal to 150% of the Combined Maximum Annual Principal and Interest Requirements of any Outstanding Parity Securities, Outstanding Superior Securities and the bonds or other securities proposed to be issued to be paid during any one Bond Year (taking into account the Appreciated Principal Amount of the Capital Appreciation Bonds only in the Bond Year in which such amounts are due and excluding amounts payable by virtue of the Authority's exercise of a prior redemption option but taking into account mandatory sinking fund redemptions), commencing with the Bond Year in which the additional Parity Securities or Superior Securities are issued and ending on the first day of July of the year in which any Outstanding Parity Securities, Outstanding Superior Securities and the bonds or other securities proposed to be issued are Outstanding.
- C. Consideration of Additional Expenses. In determining whether additional Parity Securities or Superior Securities may be issued as aforesaid under the historic earnings test in subsection B of this Section, consideration shall be given to any probable estimated increase (but not reduction) in Operation and Maintenance Expenses of the Facilities that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional Parity Securities or Superior Securities.
- D. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether additional Parity Securities or Superior Securities may be issued as provided in subsection B of this Section, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Director of Finance or an Independent Accountant making the computations under this Section, or by the County Assistant County Manager, which loss or gain results from any change in any schedule of State License Taxes or



Local License Taxes constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Parity Securities or Superior Securities, based on the number of taxpayers during such next preceding Fiscal Year as if such modified schedule of State License Taxes or Local License Taxes shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the Authority or other legislative body having or purportedly having jurisdiction in the premises before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year. Nothing herein shall be construed to permit a reduction in the State License Taxes or Local License Taxes from the rates charged at the time of delivery of the Bonds.

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

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

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

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

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

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

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

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

- A. Requirements Not Increased. Unless the refunding securities do not increase for any Bond Year or Fiscal Year the Annual Principal and Interest Requirements (including any Appreciated Principal Amounts due in such Bond Year or Fiscal Year) of the maturities of the securities to be refunded which are evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, if any, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on all or a portion of the Pledged Revenues is not raised to a higher priority than the lien thereon of securities to be refunded, including the Bonds, any Parity Securities or any Superior Securities. The provisions of the previous sentence regarding refunding securities not increasing the Annual Principal and Interest Requirements do not apply to maturities of refunding securities occurring after the maturities of the Outstanding securities not refunded; or
- B. Subordinate Lien. Unless the lien for the payment of the refunding securities is subordinate to the lien of the Bonds for the payment of any securities not refunded; or
- C. Default and Earnings Test. Unless the refunding bonds or other refunding securities are issued in compliance with Section 803 hereof (including subsections A through D of those sections) and Section 804 hereof.

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

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

## **ARTICLE IX MISCELLANEOUS PROTECTIVE COVENANTS**

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

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

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

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

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

Section 906. Rules, Regulations and Other Details. The County and the Authority shall observe and perform all of the terms and conditions contained in this Resolution and the Act, the Project Act, the Bond Act and all laws supplemental thereto and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Facilities, to any such other facilities, or to the County.

Section 907. Payment of Governmental Charges. The County and the Authority shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Facilities, or upon any part thereof, or upon any portion of the Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Facilities or any part thereof, except for any period during which the same is being contested in good faith by proper legal proceedings. The County and the Authority shall not create or suffer to be created any lien or charge upon the Facilities, or any part thereof, or upon the Pledged Revenues, except the pledge and lien created by this Resolution for the payment of the Bond Requirements due in connection with the Bonds, and except as herein otherwise permitted. The County and the Authority shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Facilities, or any part thereof, or the Pledged Revenues; but nothing herein requires the County to pay or to cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 908. Protection of Security. The County, the Authority, and the respective officers, agents and employees of the County and the Authority shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of any Bond or other security payable from the Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 909. 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 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 claims for interest. If the time for the payment of any such installment of interest shall be extended in contravention of the foregoing provisions, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Resolution, except upon the prior payment in full of the principal of the Bonds and principal and Appreciated Principal Amount, as the case may be, of any such other securities then Outstanding and of all matured interest on such securities the payment of which has not been extended.

Section 910. Prompt Payment of Bonds. The County and the Authority shall promptly pay the Bond Requirements of every Bond issued hereunder and secured hereby at the

places, on the dates, and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 911. Use of Bond Fund. The Bond Fund shall be used solely, and the moneys credited to such account are hereby pledged, for the purpose of paying the Bond Requirements of the Bonds, subject to the provisions concerning surplus moneys in Sections 606 and 611 hereof.

Section 912. 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 913. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Facilities, or any part thereof, or on or against the Pledged Revenues derived or to be derived.

Section 914. Corporate Existence. The County and the Authority shall maintain their corporate identities and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the County or the Authority and is obligated by law to operate and maintain the Facilities and to fix and collect the Pledged Revenues as herein provided.

Section 915. Disposal of Property and Facilities Permitted. The County, acting by and through the Authority, and the Authority, at any time or from time to time may sell, exchange, lease or otherwise dispose of any property or any interest therein constituting a part of the Facilities which are not useful by the Authority or the County for any reason. Any proceeds of any such sale, exchange, or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, and any proceeds of any such lease received shall be deposited by the Authority as Pledged Revenues in the Income Fund.

Section 916. Loss from Condemnation. If any part of the Facilities is taken by the exercise of a power of eminent domain, the amount of any award received by the County or the Authority as a result of such taking shall be paid into a capital improvement account relating to the Facilities for the purposes thereof, or shall be applied to the redemption of the Bonds and any Outstanding securities payable from the Facilities Pledged Revenues (to the extent debt service is not paid from the Pledged State Revenues) in accordance with the provisions hereof at maturity or prior thereto if the authorizing proceedings authorize the redemption of such securities, respectively, or held as a reserve for deposit subsequently into such an account or for such subsequent redemption of such securities or for both such deposit and such redemption, as the Authority may determine.

Section 917. Fidelity Bonds. Each official of the County, the Authority or other individual having custody of any Pledged Revenues or of any other moneys relating to the Facilities, including, without limitation, Bond proceeds, or responsible for the handling of such moneys, shall be bonded at all times in an amount which the Authority deems sufficient, which bond shall be conditioned upon the proper application of such funds (but need not necessarily be

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

Section 918. Budgets. The Authority and officials of the County shall annually and at such other times as may be provided by law prepare and adopt a budget relating to the Facilities.

Section 919. Reasonable and Adequate Charges. While any of the Bonds remain Outstanding and unpaid, the rentals, fees, rates and other charges for the use of or otherwise relating to services rendered by the Facilities to users thereof shall be reasonable and just as determined in the sole discretion of the Authority which may include nominal or no cost, taking into account and consideration public interests and needs.

**Section 920.** Collection of Charges and License Taxes. The Authority, on behalf of the County, shall cause the Pledged Revenues, including the proceeds of the Pledged State Revenues, the Local License Taxes and the rentals, fees, rates and other charges relating to the Facilities, to be collected as soon as reasonable, shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, to the end that the Pledged Revenues shall be adequate to meet the requirements of this Resolution and of any other instruments supplemental hereto. If the Authority is of the opinion that any Pledged State Revenues or Local License Taxes are not being duly collected, fully, promptly or otherwise, the Authority shall perform all proper acts duly to effect their collection.

Section 921. Prejudicial Modification of License Taxes Prohibited. The Authority, on behalf of the County, shall prevent the County Board or any City Council of any City or any Authority of any other public body in the County from permitting any trade, calling, industry, occupation, profession or business located in the County and now subject to the payment of a State License Tax or Local License Tax to avoid the payment of such tax at a later time after the issuance of any of the Bonds; and the Authority on behalf of the County shall prevent the State, the County Board or any City Council from repealing or modifying any such license taxes in any manner prejudicially and materially affecting the security or pledge for the payment of the Bonds.

Section 922. Costs of Collecting Local License Taxes. There may be excluded by the Authority from the Pledged Revenues the reasonable and actual costs of the collection of the Local License Taxes, not exceeding for any collection period an amount equal to 10% of the gross revenues collected therefrom.

Section 923. Records. So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the Authority, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Facilities or to the Pledged Revenues, or to both.

Section 924. Maintenance and Inspection of Records. All requisitions, requests, certificates, opinions and other documents received by any individual on behalf of the County or

the Authority in connection with the Facilities under the provisions of this Resolution shall be retained in the Authority's official records. Any owner of any of the Bonds or any other securities payable from the Pledged Revenues, or any duly authorized agent or agents of such owner, or the Underwriters, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the Facilities and the Pledged Revenues, to make copies of such records, accounts and data, and to inspect the Facilities and all properties comprising the Facilities.

Section 925. Audits Required. The Authority shall within 90 days following the close of each Fiscal Year, order an audit for the Fiscal Year of such books and accounts to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each account relating to the Facilities or to the Pledged Revenues, or to both. Each such audit report shall be available for inspection by the Underwriters or any owner of any of the Bonds. All expenses incurred in the making of the audits and reports required by this Section shall be regarded and paid as Operation and Maintenance Expenses.

Section 926. Insurance and Reconstruction. The County, acting by and through the Authority, shall at all times maintain fire and extended coverage insurance, workmen's compensation insurance, public liability insurance, and all such other insurance as is customarily maintained with respect to facilities of like character against loss of or damage to the Facilities, against loss of Pledged Revenues and against public and other liability to the extent reasonably necessary to protect the interests of the County, the Authority and of each owner of a Bond or any other security payable from the Pledged Revenues, except as herein otherwise provided. If at any time the County or the Authority is unable to obtain insurance to the extent provided herein, the County or the Authority shall maintain such insurance to the extent it is reasonably obtainable. If any useful part of the Facilities shall be damaged or destroyed, the County or the Authority shall determine whether to repair or replace the damaged or destroyed property and the future use of the property. The proceeds of any such property insurance relating to the Facilities shall be payable to the Authority on behalf of the County and, except for proceeds of any use and occupancy insurance, shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied, together with the proceeds of any such use and occupancy insurance, shall be deposited in the Income Fund as Pledged Revenues or applied to the redemption of the Bonds and any Outstanding securities payable from the Facilities Pledged Revenues (to the extent debt service is not paid from the Pledged State Revenues) or a combination as determined by the Authority. If the costs of such repair and replacement of the damaged or destroyed property exceed the proceeds of the property insurance available for payment of the same, moneys in the Income Fund may be used, but are not required to be used, to the extent necessary for such purposes, as permitted by Section 611 hereof and determined by the Authority.

Section 927. Title to Sites. The Facilities and each part thereof shall continue to be constructed or otherwise acquired and located on land owned in fee simple by the County or over which the County has a perpetual easement, free and clear of all liens and encumbrances of whatsoever nature, except for any facilities located in a public street or highway or upon other lands of any public body politic and corporate, which lands in the opinion of counsel for the County are sufficient for its purposes. Promptly, from time to time, the County shall take such action as may be necessary or proper to remedy or cure any defect in or cloud upon such title to

such lands owned in fee simple or subject to an easement (other than such excepted public lands), or any part thereof, whether now existing or hereafter developing, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose. Nothing herein prohibits locating Facilities on lands which are subject to an easement for utility purposes provided use of the easement will not interfere with use of the Facilities located on such lands.

Section 928. Tax Levies. The Authority and the County Board annually shall levy, or cause to be levied, General Taxes on all taxable property in the County fully sufficient to pay the Bond Requirements of the Bonds (and any other indebtedness or other obligations of the County), except to the extent other revenues are available therefor, including, without limitation, the Net Pledged Revenues pledged for the payment of the Bonds, as the Bond Requirements accrue, a reasonable allowance being made for delinquent tax collections anticipated at the time of each levy, at the time and in the manner provided by law for levying other Taxes; and the Authority and the County Board shall require the officers of the County to levy, extend, and collect General Taxes in the manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds, other indebtedness, or general obligations. General Taxes for the Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Bonds, as herein provided.

Section 929. Completion of Project. The Authority, with the proceeds derived from the sale of the Bonds and any other available moneys, shall proceed to cause the Project to be completed without delay to the best of the Authority's ability and with due diligence, as herein provided.

Section 930. Tax Covenant. The County and the Authority covenant 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 the Authority or any facilities refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under 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. 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 Authority and the County in fulfilling the above covenant under the Tax Code have been met.

Section 931. Continuing Disclosure Undertaking. The County and the Authority covenant for the benefit of the holders and beneficial owners of the Bonds to comply with the applicable provisions of the final Continuing Disclosure Certificates of the County and of the Authority, respectively, substantially in the forms now on file with the Secretary, to be executed by the officials designated therein and delivered in connection with the delivery of the Bonds.

Section 932. Use of Other Authority Revenues. In the event that the Pledged Revenues are not sufficient to pay, in each Fiscal Year, an amount equal to the sum of the Annual Principal and Interest Requirements on the Bonds and any other securities payable from the Pledged Revenues in the Comparable Bond Year and any amounts required to be accumulated from the Pledged Revenues in such Bond Year into any reserves for such securities, the Authority covenants to apply any legally available Authority revenues to the payment of such



principal, interest and reserve requirements prior to the levy of General Taxes by the County Board for such purposes.

## **ARTICLE X CONCERNING THE TRUSTEE**

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

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

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

- A. Pledge of Collateral Security. Unless such bank shall have lodged with the trust department of the Trustee or, with the written approval of the Trustee and of the Authority, pledged to some other Banking Institution for the benefit of the Authority and every holder of any Bond issued hereunder, as collateral security for the moneys deposited, Federal Securities or such securities as are provided by law for securing a deposit in a Banking Institution in the State, having a market value (exclusive of accrued interest) at least equal to 110% of the amount of such moneys; or
- B. Surety Bond. Unless, in lieu of such collateral security as to all or any part of such moneys, there shall have been lodged with the trust department of the Trustee for the benefit of the Authority and every holder of any Bond issued hereunder, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or bonds of a surety company or companies qualified as surety for deposits of funds of the United States and qualified to transact business in the state in which such Banking Institution is located in a sum at least equal to the amount of such moneys or part thereof.

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

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

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

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

- A. Absence of Implied Duties. Prior to default hereunder and after the curing of all defaults which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set out in this Resolution, and no implied covenants or obligations shall be read into this Resolution against the Trustee, but the duties and obligations of the Trustee, prior to default and after curing of all defaults which may have occurred, shall be determined solely by the express provisions of this Resolution;
- B. Reliance Upon Instruments. Prior to default hereunder and after the curing of all defaults which may have occurred, and in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, opinions, or other instruments conforming to the requirements of this Resolution;
- C. No Liability for Mere Error of Judgment. The Trustee shall not be personally liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee, unless it shall be proven that the Trustee was negligent in ascertaining the pertinent facts or in the performance of an expressed duty;
- D. Action Directed by Bondholders. The Trustee shall not be personally liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds and Parity Securities then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Resolution;
- E. Incurrence of Personal Liabilities. The Trustee shall not be required to advance or expend or use its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the repayment of such funds or liability is not assured to it by the security afforded it by the terms of this Resolution or by other reasonable security or indemnity;

- F. Limited Liability Concerning Bonds. The Trustee shall not be under any responsibility or duty with respect to the disposition by the Authority of the proceeds of the Bonds or the application by the Authority of the proceeds thereof or of any moneys paid to the Authority under any of the provisions hereof, except to the extent that such proceeds are paid to the Trustee in its capacity as Trustee; and
- G. Cost of Execution or Enforcement of Trusts. The Trustee, in the case of any default hereunder, shall not be under any obligation to take any action toward the execution or enforcement of the trusts created by this Resolution, which, in the opinion of the Trustee, will likely involve it in expense or liability, unless one or more of the holders of Bonds shall, as often as required by the Trustee, furnish to the Trustee security and indemnity satisfactory to the Trustee against such expense or liability.

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

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

- A. Reliance upon Documents. The Trustee may rely and shall be protected in acting upon any resolution, certificate, opinion, notice, request, consent, order, appraisal, report, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- B. Reliance upon Counsel. The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel; and
- C. Reliance upon Assistants. Whenever this Resolution provides for certain action to be taken or a certain document shall be executed and forwarded to the Trustee or otherwise by a designated official and such action is taken or such document is executed and so forwarded by the assistant to such official or by an acting official so designated, the Trustee may conclusively assume that the designated official is unable to act in such capacity at such time and the assistant or acting official is then authorized to take such action or to execute and so forward such document, as the case may be; and the Trustee may rely upon such action or document.

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

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

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

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

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

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

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

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

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

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

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

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

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

deeds, conveyances, and instruments in writing shall on request and so far as may be authorized by law be executed, acknowledged, and delivered to the Authority by the Trustee originally appointed herein.

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

## **ARTICLE XI MISCELLANEOUS**

Section 1101. Defeasance. When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this Resolution. There shall be deemed to be due payment of any Bond or other security when the County or the Authority has placed in escrow or in trust with a Trust Bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested), as verified by an independent public accountant, to meet all Bond Requirements of the Bond or other security, as the same become due to the final maturity of the Bond or other security, or upon any Redemption Date as of which the County or the Authority shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond or other security for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County or the Authority and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. For the purpose of this Section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof.

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

- A. Printing Bonds. The printing of the Bonds, including, without limitation and, if requested by the Underwriters, a statement of insurance pertaining to the Bonds;
- B. Final Certificates. The execution of such certificates electronically or otherwise as may be reasonably required by the Underwriters, relating, inter alia, to

1. The signing of the Bonds and the Letter of Representations with the Depository Trust Company,

2. The tenure and identity of the officials of the Authority, of the County Board and of the County,
  3. The delivery of the Bonds and the receipt of the bond purchase price,
  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 Official Statement; and
- C. Continuing Disclosure Certificates. The execution electronically or otherwise of the Continuing Disclosure Certificates in substantially the forms now on file with the Secretary of the Authority.
- D. Escrow Agreement. The completion and execution electronically or otherwise by the Director of Finance of the Escrow Agreement in substantially the form on file with the Secretary of the Authority.

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

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

- A. Proof of Execution. The fact and the date of the execution by any owner of any Bonds or other securities or his attorney of such instrument may be provided by the certificate,



which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Secretary or of and 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 ownership of the securities, shall be proved by the registration records at the County kept by the Trustee.

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

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

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

## **ARTICLE XII PRIVILEGES, RIGHTS AND REMEDIES**

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

provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

Section 1202. Right to Enforce Payment. Nothing in this article affects or impairs the right of any owner of any Bond to enforce the payment of the Bond Requirements due in connection with such owner's Bond or the obligation of the County and the Authority to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond, including enforcements by the Trustee of remedies at the request of owner or owners of Bonds pursuant to Section 1204.

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

- A. Nonpayment of Principal and Premium. Payment of the principal of any of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity, on the mandatory redemption dates specified in Section 303C hereof, 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 or the Authority for any reason is rendered incapable of fulfilling its obligations hereunder;
- D. Nonperformance of Duties. The County or the Authority fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues or to the Facilities, or otherwise, including without limitation, this Resolution, and such failure continues for 60 days after receipt of notice from the Trustee or the owners of 10% in principal amount of the Bonds then Outstanding;
- E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the County appointing a receiver or receivers for the Facilities or for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or both the Facilities and such moneys, or if an order or decree having been entered without the consent or acquiescence of the County is not vacated or discharged or stayed on appeal within 60 days after entry; and
- F. Default of Any Provision. The County or the Authority makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Resolution on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the County and the Authority by the Trustee or the owners of 10% in principal of the Bonds then Outstanding.

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

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

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

Section 1207. Duties upon Defaults. Upon the happening of any of the Events of Default as provided in Section 1203 hereof, the County and the Authority, in addition, shall do and perform all proper acts on behalf of and for the owners of the Bonds to protect and to preserve the security created for the payment of their Bonds and to insure the payment of the Bond Requirements promptly as the same become due. During any period of default, so long as any of the Bonds issued hereunder, as to any Bond Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Pledged Revenues shall be paid into the Bond Fund, or, in the event of securities heretofore and hereafter issued and Outstanding during that period of time on a parity with the Bonds, shall be paid into the bond accounts for all Parity Securities on an equitable and prorated basis, and used for the purposes therein provided. If the County or the Authority fails or refuses to proceed as in this Section provided, the Trustee may, and at the request of the owner or owners of not less than 10% in principal amount of the Bonds then Outstanding, after demand in writing, shall proceed to protect and to enforce the rights of the owners of the Bonds as hereinabove provided; and to that end any such owners of the Bonds shall be subrogated to all rights of the County and the Authority under any user agreement, lease

or other contract involving the Facilities or the Pledged Revenues entered into before the effective date of this Resolution or thereafter while any of the Bonds are Outstanding.

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

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

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

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

- A. Without the consent of or notice to the registered owners of the Bonds for the purpose of (i) curing any ambiguity or formal defect or omission herein, (ii) in connection with the issuance and delivery of additional bonds or other securities payable from all or any portion of the Pledged Revenues, or (iii) in connection with any other change herein which shall not have a material adverse effect on the interests of the holders of the Bonds;
- B. If there is an insurer of the Bonds, in lieu of the written consent of owners of the Bonds as set forth in this Article, with the written consent of the insurer of the Bonds (as long as the insurer has not defaulted on its insurance policy with respect to such Bonds) in connection with any other amendment; and
- C. If there is no insurer of the Bonds, or the insurer has defaulted in its payment of obligations on its insurance policy with respect to the Bonds, with the written consent of the owners of sixty-six percent (66%) in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental instrument, not including in any case any Bonds which may then be held or owned for the account of the County, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds issued hereunder if such refunding securities are not owned by the County.

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

- A. Changing Payment. A change in the maturity or in the terms of redemption of the principal of any Bond or any installment of interest thereon; or
- B. Reducing Return. A reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith, without the consent of the owner of the Bond; or
- C. Prior Lien. Except as otherwise provided in this Resolution, the creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Resolution; or
- D. Modifying Any Bond. A reduction of the percentages or otherwise affecting the description of Bonds the consent of the owners of which is required for any modification or amendment; or
- E. Priorities between Bonds. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Resolution; or
- F. Partial Modification. The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Section 1303. Amendments Not Requiring Bondholder Consent.

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

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

Section 1305. Time for Amendment. Whenever at any time within one year from date such notice was sent electronically or otherwise there shall be filed in the office of the Secretary an instrument or instruments executed by the owners of at least 66% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the

proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the Authority may adopt the amendatory instrument and the instrument shall become effective.

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

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

Section 1308. Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and the provisions of this Resolution or of any instrument amendatory hereof or supplemental hereto and the rights and the obligations of the County and of the owners of the Bonds hereunder may be modified or amended in any respect upon the adoption by the County and upon the filing with the Secretary of an instrument to that effect and with the consent of the owners of all the Bonds then Outstanding, the consent to be given as provided in Section 1104 hereof; and no notice to owners of Bonds shall be required as provided in Section 1304 hereof, nor shall the time of consent be limited except as may be provided in the consent.

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

Section 1310. Notation on Bonds. Bonds 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 Authority 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 such owner's Bond for the purpose at the principal office of the Secretary, suitable notation shall be made on the Bond by the Secretary as

to any such action. If the Authority so determines, new Bonds so modified as in the opinion of the Authority to conform to such action shall be prepared, 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 1311. Proof of Resolutions and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing the instrument, and the date of his holding the same may be proved as provided by Section 1104 hereof.

ADOPTED on February 25, 2021.

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Chair, Reno –Sparks Convention & Visitors  
Authority  
Washoe County, Nevada

Attest:

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

STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

I 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 a resolution adopted by Board of County Commissioners (the " County Board") of the County at a meeting held on February 25, 2021. The original of the resolution has been approved and authenticated by the signatures of the Chair of the County Board and myself as County Clerk and sealed with the seal of the County, and has been recorded in the minutes of the County 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 resolution were present at the meeting and voted on the resolution.

3. All members of the County 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 and the Nevada Governor's Directive 006, as extended. A copy of the notice of meeting (attached as Exhibit A) and excerpts from the agenda for the meeting relating to the resolution, as posted no later than 9:00 a.m. on the third working day prior to the meeting, on the County's website, on the State of Nevada's official website and if required by the NRS 241.020 and the Nevada Governor's Directive 006, as extended, at least three (3) other separate, prominent places within the jurisdiction of the County Board.

5. Prior to 9:00 a.m. at least 3 working days before such meetings, such notice was mailed to each person, if any, who has requested notices of meetings of the County Board in compliance with NRS 241.020(4)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

6. A copy of an affidavit evidencing publication of notice of adoption of the resolution is attached hereto as Exhibit B.

**IN WITNESS WHEREOF**, I have hereunto set my hand on February 25, 2021.

\_\_\_\_\_  
County Clerk



EXHIBIT A  
(Attach Copy of Notice of Meeting)