R-0707D-1982

RESOLUTION

A RESOLUTION PROVIDING FOR THE ISSUANCE OF CITY OF LAS VEGAS, NEVADA, ECONOMIC DEVELOPMENT REVENUE BONDS (THE FREMONT HOTEL PROJECT), SERIES 1982, AND AUTHORIZING THE PREPARATION OF DOCUMENTS AND INSTRUMENTS RELATING THERETO.

WHEREAS, the City of Las Vegas, Nevada (the "City" herein), is authorized by the provisions of the City Economic Development Revenue Bond Law, NRS 268.512 to 268.568, inclusive, (the "Act" herein) to finance projects consisting of real and personal property appropriate for use for addition to a hotel, motel, apartment building, casino or office building to protect it or its occupants from fire, to enter into financing agreements to loan the proceeds of its revenue bonds to others for the purpose of defraying the costs of acquiring, improving and equipping such projects upon such terms as its Board of Commissioners (the "Board" herein) considers advisable and not in conflict with the provisions of the Act and to issue revenue bonds for the purpose of defraying the cost of acquiring, improving and equipping such projects; and

WHEREAS, Trans-Sterling, Inc., a Nevada corporation (the "Company" herein), proposes to acquire, construct and install certain real and personal property, appropriate for addition to its existing hotel and casino known as The Fremont Hotel (the "Project" herein), which is located within the City, to protect the existing hotel and its occupants from fire; and

WHEREAS, the Company has represented to the City that the Project will be designed to qualify as a "project" within the meaning of the Act; and

WHEREAS, the Company has requested the City to issue and sell its economic development revenue bonds in an aggregate principal amount not to exceed $1,000,000.00 (the "Bonds" herein) pursuant to the provisions of the Act for the purpose of financing the Project; and

WHEREAS, prior to the issuance of the Bonds, the City will consider and approve by resolution the final details of the Bonds and will authorize and approve, subject to the conditions of this Resolution and the Act, all acts and the execution of all documents and instruments necessary or desirable in connection with the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF LAS VEGAS, NEVADA, THAT:

SECTION 1. The Board hereby finds, intends and declares that this Resolution shall constitute its official binding commitment to issue the Bonds, subject to the terms hereof and thereof and the terms of the Act, and that the adoption of this Resolution is and constitutes the taking of affirmative official action by the City toward the issuance of the Bonds. In authorizing the issuance of the Bonds and the Project, the City's purpose is, and in its judgment the effect thereof will be, to enhance public safety by protecting hotels, motels, apartment buildings, casinos, office buildings and their occupants from fire, thereby promoting the safety, welfare and convenience and prosperity of the inhabitants of the City and the State of Nevada.

SECTION 2. In order to insure the completion of the Project and the public benefit which is expected from the operation thereof, the City, subject to the terms and conditions of the Memorandum of Agreement between the City and the Company attached hereto as Exhibit "A" (the "Memorandum of Agreement" herein), and by this reference made a part hereof, will from time to time issue the Bonds pursuant to the provisions of the Act in a principal amount necessary to pay the cost of financing the Project, together with the costs incident to the authorization, issuance and sale of the Bonds, which Bonds will not exceed in aggregate principal amount the sum of $1,000,000.00.

SECTION 3. The Bonds shall bear such interest rates, be in such denominations, bear such dates, mature at such dates, be in such form, carry such registration privileges, be executed in such manner, be payable at such place and be subject to such terms of redemption consistent with the Act as shall be authorized and approved by resolution of the Board adopted prior to the issuance of the Bonds. Prior to the issuance of the Bonds, the Board shall be satisfied that all of the preconditions to issuance of the Bonds set forth in NRS 260.530 have been met by the Company.

SECTION 4. Any mortgage, trust indenture, lease, purchase agreement, loan agreement, security agreement, rental agreement, or other agreement or security device, or any combination thereof, entered into by the City in connection with the acquisition of the Project (the "Financing Agreements" herein) and any other document relating to the Project or the Bonds shall also be authorized and approved by the Board prior to the issuance of the Bonds.

SECTION 5. The proceeds of the Bonds will be used to finance the acquisition of the Project. The major components of the Project are described in a schedule attached hereto as Exhibit "B" and by this reference made a part hereof.

SECTION 6. The City will enter into mutually agreeable Financing Agreements with the Company with respect to the Project as more fully described in the Memorandum of Agreement.

SECTION 7. The form of the Memorandum of Agreement is hereby approved, and the Mayor and the City Clerk are hereby authorized and directed to execute the Memorandum of Agreement on behalf of the City.

SECTION 8. The entire cost of financing the acquisition of the Project will be paid from the proceeds of the sale of the Bonds or from other Company funds. None of the Bonds will be general obligations of the City. Neither shall any of the

Bonds, including interest thereon, constitute the debt or indebtedness of the City within the meaning of any provision or limitation of the Constitution or statutes of the State of Nevada nor constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. The Bonds shall be special, limited obligations of the City and shall be payable solely from and secured by a pledge of the revenues derived from and payable pursuant to the Financing Agreement.

SECTION 9. Nothing contained in this Resolution or the Memorandum of Agreement shall constitute a debt or indebtedness of the City within the meaning of the Constitution or statutes of the State of Nevada nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

SECTION 10. The Board hereby directs the City Clerk to submit a request of the City to the Nevada State Board of Finance for approval of the Project. Such approval must be received by the City prior to the adoption of the Board's resolution authorizing the form and terms of the Bonds as set forth in Section 3 hereof, and, in the event that said Board of Finance withholds its approval, any and all obligations on the part of the City which might otherwise exist by reason of the adoption of this Resolution or the execution of the Memorandum of Agreement shall terminate, and this Resolution and the Memorandum of Agreement shall thereupon become null and void and of no further force or effect.

PASSED, ADOPTED AND APPROVED this 7th day of July, 1982.

By William H. Briare
WILLIAM H. BRIARE, MAYOR

ATTEST:

Carol A Hawley
CAROL ANN HAWLEY, CITY CLERK

(SEAL)