

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “Memorandum”), dated _____, 2019, is between Sparks Legends Development, Inc., a corporation organized and existing under the laws of the State of Nevada (the “Developer”), and the City of Sparks, Nevada (the “City” and together with the Developer, the “parties”).

WHEREAS

WHEREAS, the parties have entered into that certain Disposition, Development and Financing Agreement, effective March 30, 2006, amended and restated April 2, 2008, by and among the Redevelopment Agency of the City, the City and the Developer, as originally executed (the “DDFA”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the DDFA; and

WHEREAS, the City Council of the City (the “City Council”), pursuant to Ordinance No. 2370 adopted on July 23, 2007, has heretofore created the City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) (the “District”) for the purpose of carrying out the acquisition, improvement, equipping, operation and maintenance of certain real and personal property within the District suitable for retail, tourism or entertainment purposes, and the real or personal property necessary, useful or desirable in connection therewith (the “Project”); and

WHEREAS, in order to finance the costs of the Project, the City has heretofore issued its: (i) “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Bonds, Series A,” in the original aggregate principal amount of \$83,290,000 (the “Senior 2008 Bonds”); and its (ii) “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Bonds, Series A,” in the original maximum aggregate principal amount of \$36,600,000 (the “Subordinate 2008 Bonds”); and

WHEREAS, the City is currently contemplating refinancing the Senior 2008 Bonds and the Subordinate 2008 Bonds, and in connection with such refinancing, the City presently expects to issue the following bonds of the City prior the end of calendar year 2019: (i) its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A” (the “2019A Bonds”); (ii) its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt)” (the “2019B Bonds”); and (iii) its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable)” (the “2019C Bonds” and together with the 2019A Bonds and the 2019B Bonds, the “2019 Bonds”). The parties acknowledge that the issuance of the 2019 Bonds is within the sole discretion of the City Council; and

WHEREAS, the parties desire to enter into this Memorandum to clarify the parties understanding with respect to certain provisions of the DDFA.

NOW, THEREFORE, the parties acknowledge and agree as follows:

1. Following the issuance of the 2019A Bonds, the Developer may request that the City issue additional Senior STAR Bonds in accordance with, and subject to, the provisions of Section 7.07A and 7.07B of the DDFA. The parties presently contemplate that any Series of additional Senior STAR Bonds will be the final Series of additional Senior STAR Bonds issued pursuant to the DDFA and may be issued in an original principal amount of less than \$25,000,000.

2. Section 7.09.B(2) of the DDFA provides that “Additional Subordinate STAR Bonds shall not be issued with the final Series of Senior STAR Bonds.” Consequently, the parties currently contemplate that following the issuance of the 2019B Bonds and the 2019C Bonds, no additional Subordinate STAR Bonds will be issued pursuant to the DDFA.

3. The purpose of this Memorandum is to memorialize the parties current intent and understanding of the DDFA and is not intended to constitute a binding agreement between the parties. It is not the intent of the parties that this Memorandum amend or modify the DDFA in any way.

4. The parties hereby recognize that no special relationship has been created between the parties by virtue of this Memorandum.

5. This Memorandum may be executed in counterparts and/or electronic counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have set forth their respective hands as of the date first written above.

SPARKS LEGENDS DEVELOPMENT, INC., a Nevada corporation

By: _____
Michael Ebert, President

CITY OF SPARKS, NEVADA

By: _____
Ron Smith, Mayor

Attest:

By: _____
Lisa Hunderman, City Clerk

Approved as to form:

By: _____
Chet Adams, City Attorney