

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPARKS, NEVADA, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE RELATING TO THE CITY OF SPARKS, NEVADA, LOCAL IMPROVEMENT DISTRICT NO. 3 (LEGENDS AT SPARKS MARINA) LIMITED OBLIGATION IMPROVEMENT BONDS AND APPROVING CERTAIN MATTERS RELATING THERETO

WHEREAS, the City of Sparks, Nevada (the “City”) previously issued its City of Sparks, Nevada, Local Improvement District No. 3 (Legends at Sparks Marina) Limited Obligation Improvement Bonds (the “Bonds”) in the aggregate principal amount of \$26,120,000;

WHEREAS, the Bonds were issued pursuant to the Indenture, dated as of May 1, 2008 (the “Original Indenture”), by and between the City and U.S. Bank National Association, as Trustee (capitalized undefined terms used herein have the meanings ascribed thereto in the Original Indenture);

WHEREAS, in connection with the issuance of the Bonds, in order to provide security for the payment of the Assessment Installments payable with respect to the Assessments levied on the Olympia Parcel, the City required that Legends Development deliver, or cause to be delivered, to the Trustee a Secured Parcel Letter of Credit;

WHEREAS, subsection (d) of Section 5.05 of the Original Indenture provides that, no later than five Business Days after the receipt by the Trustee of a written instruction, signed by a City Representative, stating that the City has received a Qualified Appraisal Report in which the Olympia Parcel Appraised Value is no less than \$22,169,862 and instructing the Trustee to (i) surrender the Secured Parcel Letter of Credit, if any, to the Secured Parcel Letter of Credit Provider that issued the Secured Parcel Letter of Credit, and (ii) transfer the amounts, if any, on deposit in the Secured Parcel Letter of Credit Proceeds Account to the Secured Parcel Letter of Credit Provider that issued the Secured Parcel Letter of Credit, the proceeds of the draw on which were deposited in the Secured Parcel Letter of Credit Proceeds Account, the Trustee shall so surrender the Secured Parcel Letter of Credit, if any, and so transfer said amounts, if any;

WHEREAS, the Assessment Ordinance provides that Assessments with respect to which no delinquencies exist may be prepaid, in whole or in part on any date, by the owner of the parcel of the Property on which they are levied, by such owner’s delivering to the City Treasurer a written notice of election to prepay Assessments, together with a prepayment price equal to amount specified in the Assessment Ordinance;

WHEREAS, if the Assessment levied on the Olympia Parcel is prepaid in whole, there would no longer be any Assessment Installments payable with respect thereto and, therefore, the Bonds would no longer be payable from any such Assessment Installments;

WHEREAS, in such case, the Secured Parcel Letter of Credit would no longer serve any purpose and, accordingly, should be surrendered by the Trustee to the Secured Parcel Letter of Credit Provider that issued the Secured Parcel Letter of Credit;

WHEREAS, subsection (d) of Section 5.05 of the Original Indenture does not include a provision that authorizes the surrender by the Trustee of the Secured Parcel Letter of Credit to the Secured Parcel Letter of Credit Provider that issued the same if the Assessment levied on the Olympia Parcel is prepaid in whole (and no such provision is included elsewhere in the Original Indenture);

WHEREAS, the City desires to cure such omission by amending the Original Indenture to include such a provision;

WHEREAS, the Original Indenture provides that the Original Indenture or the rights and obligations of the City, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the City and the Trustee may enter into without the consent of any such Owners, but only to the extent permitted by law, to make such provisions for the purpose of curing any omission contained in the Original Indenture;

WHEREAS, the City proposes to cure such omission by entering into a First Supplemental Indenture with the Trustee (such First Supplemental Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “First Supplemental Indenture”); and

WHEREAS, the City Council of the City (the “City Council”) now desires to authorize the execution and delivery of the First Supplemental Indenture;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPARKS, NEVADA, AS FOLLOWS:

Section 1. The above recitals are true and correct, and the City Council so finds and determines.

Section 2. The First Supplemental Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Mayor of the City (the “Mayor”), the City Manager of the City, the Treasurer of the City, the Finance Director of the City and such other officers of the City as the Mayor may designate (the “Authorized Officers”), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and on behalf of the City, to execute and deliver the First Supplemental Indenture in the form presented to this meeting, with such changes, insertions and omissions as may be approved by the Authorized Officer executing the same on behalf of the City, said execution being conclusive evidence of such approval.

Section 3. The City Council and the officers of the City be, and they hereby are, authorized and directed to execute and deliver any and all documents and instruments and to do or cause to be done all acts and things necessary or appropriate to effectuate the provisions of this Resolution.

Section 4. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the City Council and the officers of the City in furtherance of curing such omission in the Original Indenture be, and the same hereby are, ratified, approved and confirmed.

Section 5. This Resolution shall be effective upon passage.

Section 6. Any resolution which conflicts with this Resolution is hereby repealed. The officers of the City are hereby authorized and directed to take all action necessary to effectuate the provisions of this Resolution. The City Clerk is authorized to make editorial changes hereto consistent with the intentions of this Resolution. The provisions of this Resolution shall be liberally construed to effectively carry out its purposes. In the event that any provision in this Resolution is deemed void, invalid or unenforceable by a court of competent jurisdiction, then such offending provision shall be severed from this Resolution and all the remaining provisions (including the repealer provision) shall remain in full force and effect.

PASSED AND APPROVED this 27th day of May, 2014 by the following vote of the City Council:

AYES: _____
NAYES: _____
ABSENT: _____
ABSTAIN: _____

APPROVED this 27th day of May, 2014 by:

Mayor

Attest:

Approved as to form and legality:

City Clerk

City Attorney