

---

---

**FIRST SUPPLEMENTAL INDENTURE**

**by and between**

**CITY OF SPARKS, NEVADA**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
AS TRUSTEE**

**Dated as of \_\_\_\_\_ 1, 2014**

**Relating to  
City of Sparks, Nevada  
Local Improvement District No. 3  
(Legends at Sparks Marina)  
Limited Obligation Improvement Bonds**

## **FIRST SUPPLEMENTAL INDENTURE**

**THIS FIRST SUPPLEMENTAL INDENTURE** (this “First Supplemental Indenture”) dated as of \_\_\_\_\_ 1, 2014, is by and between the CITY OF SPARKS, NEVADA, a municipality and a political subdivision organized and existing under the Constitution and laws of the State of Nevada, and the Sparks City Charter (the “City”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

### **WITNESSETH:**

**WHEREAS**, 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 the 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**, however, 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; and

**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;

**NOW, THEREFORE**, the City and the Trustee do hereby agree, as follows:

## **PART I**

### **AMENDMENT**

**Section 1.1. Amendment.** Subsection (d) of Section 5.05 of the Original Indenture is hereby amended to read in full as follows:

(d) No later than five Business Days after the receipt by the Trustee of a written instruction, signed by a City Representative, stating (i) that the City has received a Qualified Appraisal Report in which the Olympia Parcel Appraised Value is no less than \$22,169,862, or (ii) that, in accordance with the provisions of the Assessment Ordinance, the Assessment levied on the Olympia Parcel has been prepaid in whole, and instructing the Trustee to (A) 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 (B) 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.

## **PART II**

### **MISCELLANEOUS**

**Section 2.1. Trustee.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution thereof by the City. The recitals of fact contained herein shall be taken as the statements solely of the City, and the Trustee assumes no responsibility for the correctness thereof.

**Section 2.2. Effect of First Supplemental Indenture.** This First Supplemental Indenture and all of the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby. If there shall be any conflict between the terms of this First Supplemental Indenture and the terms of the Indenture (as in effect on the day prior to the effective date of this First Supplemental Indenture), the terms of this First Supplemental Indenture shall prevail.

**Section 2.3. Execution in Several Counterparts.** This First Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

**Section 2.4. Effective Date.** This First Supplemental Indenture shall take effect on \_\_\_\_\_, 2014.

**IN WITNESS WHEREOF**, the City has caused this First Supplemental Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee has caused this First Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY OF SPARKS, NEVADA**

By: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
City Clerk

**APPROVAL AS TO FORM:**

\_\_\_\_\_  
City Attorney

**U.S. BANK NATIONAL  
ASSOCIATION, AS TRUSTEE**

By: \_\_\_\_\_  
Authorized Signatory