

DRAFT

WAIVER AND CONSENT AGREEMENT

The Redevelopment Agency of the City of Sparks, Nevada (the “Agency”), the City of Sparks, Nevada (the “City”), and Sparks Legends Development, Inc. (the “Developer”) have entered into that certain “City of Sparks, Disposition, Development and Financing Agreement, Legends at the Sparks Marina Project,” amended and restated as of April 2, 2008 (the “DDFA”). All capitalized terms set forth herein but not otherwise defined shall have the meanings set forth in the DDFA.

1. The Agency, the City and the Developer have agreed to initiate the process for the issuance of the “Redevelopment Agency of the City of Sparks, Nevada, Subordinate Lien Tax Increment Revenue Refunding Bonds (Redevelopment Area No. 2), Series 2014” (the “2014 TIF Refunding Bonds”) in order to provide funds to defray a portion of the costs of defeasing and refunding the “Redevelopment Agency of the City of Sparks, Nevada, Subordinate Lien Tax Increment Revenue Bonds (Redevelopment Area No. 2), Series 2009” (the “2009 TIF Bonds”). In connection with the initiation of the process for issuance by the Agency of the 2014 TIF Refunding Bonds in the maximum aggregate principal amount of \$7,285,000, pursuant to an Indenture of Trust (the “Indenture”) between the Agency and U.S. Bank National Association (the “Trustee”), the Agency, the City and the Developer hereby consent to the issuance of the 2014 TIF Refunding Bonds and waive the provisions of the DDFA to the extent that those terms conflict with the terms and provisions of the contemplated 2014 TIF Refunding Bonds. The parties agree that the 2014 TIF Refunding Bonds would be an independent issuance not originally contemplated by the DDFA, and further agree that the 2014 TIF Refunding Bonds, if issued, will be senior to the City Repayment Bonds. To the extent that future Legends TIF Bonds are issued in accordance with the DDFA, those bonds may be issued on a parity or senior to the 2014 TIF Refunding Bonds or on a parity or subordinate to the “Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Bonds (Redevelopment Area No. 2), Series 2008” (the “2008 TIF Bonds”).

2. The parties agree that the Net TIF Bond Proceeds from the 2009 TIF Bonds received by the Developer shall continue to be included in the sum calculated in Section 7.11.A.1(b) of the DDFA for purposes of calculating the STAR Bond Shortfall, notwithstanding their refunding by the 2014 TIF Refunding Bonds, and as such, the 2009 TIF Bonds will continue to be considered as contributions by the Agency and the City to the Project contemplated in the DDFA. The parties agree that the debt service on the outstanding 2008 TIF Bonds and the 2014 TIF Refunding Bonds shall be included as Assumed Annual Debt Service for purposes of calculating the Bond Certificate Capacity and the Subordinate Bond Capacity Certificate, respectively, as the proceeds of the 2008 TIF Bonds and the 2009 TIF Bonds (to be refunded with the proceeds of the 2014 TIF Refunding Bonds) were contributions by the Agency and the City to the Project contemplated in the DDFA.

3. This Waiver and Consent Agreement (“Agreement”) is contingent upon approval of the TIF Bond Documents for the 2014 TIF Refunding Bonds by the Agency and the City, and approval by the Agency of all necessary documents and agreements related to the issuance of the

2014 TIF Refunding Bonds. This Waiver and Consent Agreement shall not be construed as a commitment by the Agency and the City to provide funds to refinance the 2009 TIF Bonds until after full compliance with the Community Redevelopment Law, consisting of NRS 279.382 to 279.685, inclusive (the "Act"). Assuming the 2014 TIF Refunding Bonds are issued and the Act is fully complied with, the Agency and the City agree that the Net TIF Bond Proceeds from the 2014 TIF Refunding Bonds will be expended to refinance the 2009 TIF Bonds.

4. This Agreement shall constitute a waiver under Section 12.06 of the DDFa, the parties agreeing, however, that, except for the explicit waiver described herein with respect to the 2014 TIF Refunding Bonds, this consent and waiver shall not be deemed to be a waiver of any of the other rights or obligations of the parties pursuant to the DDFa. As such, the parties agree that no party is breaching the DDFa by the issuance of the 2014 TIF Refunding Bonds, and that if a conflict exists between the issuance of the 2014 TIF Refunding Bonds and the DDFa, each party is waiving any claim of breach that would otherwise result from the issuance of the 2014 TIF Refunding Bonds in accordance with the TIF Bond Documents approved by the Agency.

5. This Agreement may be executed in counterparts and is deemed duly executed when signature pages of all parties are executed and delivered.

6. Execution of this Agreement in no way waives the Agency and the City's legislative power to deliberate and consider the merits of issuing the 2014 TIF Refunding Bonds.

EXECUTED on the dates indicated below:

City of Sparks, Nevada
A Municipal Corporation

By: _____ Date: _____, 2014
Geno Martini, Mayor

Attest:

By: _____ Date: _____, 2014
Teresa Gardner, City Clerk

Approved as to form:

By: _____ Date: _____, 2014
Chet Adams, City Attorney

Sparks Redevelopment Agency
Redevelopment Agency of the City of Sparks, Nevada

By: _____ Date: _____, 2014
Ron Smith, Chairman

Attest:

By: _____ Date: _____, 2014
Teresa Gardner, Agency Secretary

Approved as to form:

By: _____ Date: _____, 2014
Chet Adams, Agency Attorney

Developer
Sparks Legends Development, Inc., a Nevada corporation

By: _____ Date: _____, 2014
Steven Maun, President