

RECORDING REQUESTED BY:

Teresa Gardner, City Clerk
City of Sparks
431 Prater Way
Sparks, NV 89431

AC-5343
Amend. No. 1
10/9/2017
AI 9.4

FINANCIAL INCENTIVE AGREEMENT

AMENDMENT NO. 1

DATED as of October 9, 2017

RECITALS

A. A "Financial Incentive Agreement" (the "Agreement") was entered into on February 27, 2017 between the **CITY OF SPARKS** ("City") and **SYUFY ENTERPRISES** ("Syufy"). Pursuant to that Agreement the City agreed to pay Syufy up to \$1,500,000 provided Syufy and Galaxy Victorian, LLC ("Galaxy"), Syufy's tenant, collectively invest at least \$6,100,000 to renovate and re-open the Victorian Square theater property owned by Syufy (the "Property") and re-open the Property to the public.

B. The Agreement specifies that Syufy and Galaxy shall: renovate all fourteen of the Property's auditoriums with luxury recliners and state-of-the-art digital sound systems; renovate the Project's lobby entrance and concession areas with finishes comparable to the quality found at Galaxy Theatres' cinema facility located at 1170 Scheels Drive, Sparks, Nevada; and, the Project is to be completed and open to the public prior to December 31, 2017. (the "Project")

C. Syufy and Galaxy have experienced substantial delays in their renovations to the Property that will likely cause the Property's re-opening to occur after the December 31, 2017 deadline set in the Agreement. For this reason, Syufy has requested extensions of the dates for completion of the renovation and re-opening of the Property and of the termination date of the Agreement.

D. To facilitate access for its tenants and customers, Syufy and Galaxy have requested approval from the City to install a direct entrance between the Theatre and the adjacent parking structure that may reduce the number of auditoriums from fourteen to thirteen, as one auditorium may be used partly or wholly to accommodate the alternate entrance.

E. The parties desire to amend the terms of the Agreement to provide additional time for renovation and re-opening of the Theatre and to modify the number of required auditoriums.

NOW THEREFORE, the parties agree as follows:

¶A.1.A Extension of Completion Date. The Agreement is hereby changed in Article I, Subsection B (The Project), and Article III, Subsection A.1 (City Conditions), to delete the completion date of December 31, 2017 and insert a completion date of September 30, 2018.

¶A.1.B Extension of Termination Date. The Agreement is hereby changed in Article V, Subsection A (Default and Termination; Term) to delete the termination date of January 1, 2018 and insert a termination date of October 1, 2018.

¶A.1.C Payment Schedule. The Agreement is hereby changed in Article II, Subsection B.2 (Financial Contributions) to delete the reference to the year 2017 and insert a reference to the year 2018.

¶A.1.C Number of Auditoriums. The Agreement is hereby changed in Article I, Subsection A (The Project), in Article II, Subsection B.1 (Financial Contributions), in Article III, Subsection A.1 (City Conditions) and all other relevant places to reduce the minimum number of required auditoriums in the Project from fourteen (14) to thirteen (13).

WHEREOF, the parties have executed this Agreement to be effective as of the Effective Date.

[Signature pages to follow.]

City of Sparks

By:  for GRM Date: 10/9/2017
Geno R. Martini, Mayor

Attest:

By:   Date: 10/9/2017
City Clerk

Approved as to form:

By:  Date: 9.28.17
City Attorney

Syufy Enterprises, LP

By:  Date: October 9, 2017

Print Name: Raymond Syufy

Its: C.E.O.

