

**SUPPLEMENTAL TERMS
TO
APPLICATION AND AGREEMENT FOR STANDBY LETTER OF CREDIT**

These Supplemental Terms supplement and are incorporated into that certain Application and Agreement for Standby Letter of Credit, dated May 1, 2008, as amended (the "Agreement"), between the City of Las Vegas, a(n) municipal corporation of the State of Nevada (the "Applicant") and Bank of America, N.A., a national banking association (the "Bank"), in order to make provision for certain specific terms and conditions relating to the Applicant's request and agreements relating to the issuance of a Standby Letter of Credit (the "Letter of Credit"), as described in the Agreement.

The Applicant and the Bank further agree as follows in connection with the Agreement and the Letter of Credit:

I. SPECIFIC SUPPLEMENTAL PROVISIONS.

Initial Amount of Letter of Credit: \$13,374,000. (Thirteen million three hundred seventy four thousand dollars).

Expiration Date of Letter of Credit: May 1, 2009, with 90-day automatic renewal clause, subject, however, to the Bank's right to decline any extension or renewal in its sole discretion, as provided in the Letter of Credit.

Security and Source of Payment for Drawings: The Applicant agrees that the repayment obligations represented by drawings under the Letter of Credit are secured by the full faith and credit of the Applicant, and are payable from all legally available funds of the Applicant.

Letter of Credit Fees: The Applicant agrees to pay to the Bank Letter of Credit fees in an annual amount equal to 0.29% of the face amount of the Letter of Credit, payable quarterly in arrears, and computed on the basis of actual number of days elapsed in a 360-day year.

Other Letter of Credit Transaction Fees: The Applicant agrees to pay to Bank its standard transaction fees as they may be changed from time to time, payable upon occurrence (draws, amendments, transfer, etc).

Repayment of Drawings Under Letter of Credit: The Applicant agrees that repayment of any draws under the Letter of Credit is due and payable on the same day draws are made under the Letter of Credit.

Financial Reporting Requirements: The Applicant agrees to provide to the Bank the following financial information and statements, in form and content acceptable to the Bank:

- Within 6 months following the end of a fiscal year, a copy of the Applicant's audited financial statements, audited by a firm of certified public accountants;
- Within 90 days following the commencement of a fiscal year, the Applicant's budget for such fiscal year; and
- As requested, such other financial information as may be reasonably requested by the Bank from time to time.

2. REPRESENTATIONS AND WARRANTIES. The Applicant represents and warrants to the Bank as of the date hereof:

(a) Existence and Authorization. The Applicant is duly formed, organized and validly existing political subdivision of the State of Nevada. The execution, delivery, and performance by the Applicant of the Agreement and these Supplemental Terms have been duly authorized by all requisite action by or on behalf of the Applicant.

(b) No Approvals. No approval, authorization, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any person or body is required in connection with the execution, delivery, or performance by the Applicant of the Agreement and these Supplemental Terms that has not been obtained.

(c) No Conflicts. The execution, delivery, and performance by the Applicant of the Agreement and these Supplemental Terms will not conflict with, or result in a violation of or a default under, any applicable law, ordinance, regulation, or rule (federal, state, or local); any judgment, order, or decree of any arbitrator, other private adjudicator, or governmental authority to which the Applicant is a party or by which the Applicant or any of the assets or property of the Applicant is bound.

(d) Execution and Delivery and Binding Nature of the Agreement and These Supplemental Terms. The Agreement and these Supplemental Terms have been duly executed and delivered on behalf of the Applicant. The Agreement and these Supplemental Terms are legal, valid, and binding obligations of the Applicant, enforceable in accordance with their terms against the Applicant, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

(e) Litigation. There is no lawsuit, tax claim, or other dispute pending or overtly threatened against the Applicant which, if lost, would materially impair the Applicant's financial condition or the Applicant's ability to repay any amount payable under the Agreement and these Supplemental Terms, except as have been or will be disclosed in writing to the Bank.

3. SEVERABILITY. If any provision or any part of any provision of the Agreement or these Supplemental Terms is unenforceable, the enforceability of the other provisions or the other provisions and the remainder of the subject provision, respectively, shall not be affected and they shall remain in full force and effect.

4. CHOICE OF LAW. The Letter of Credit shall be governed by law as described in the Agreement. The Applicant's obligations under the Agreement and these Supplemental Terms shall be governed by the law of the State of Nevada, without giving effect to conflict of laws principles.

5. **COUNTERPARTS.** This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

DATED as of the date first above stated.

CITY OF LAS VEGAS, NEVADA

APPROVED AS TO FORM

L. Ponticello *5/23/08*
Feresita L. Ponticello Date
Deputy City Attorney

By: *Mark Vincent*
Name: **Mark Vincent**
Title: **Director, Department of Finance and
Business Services**

BANK OF AMERICA, N.A.

By: *Nancy Nuerenberg*
Name: Nancy Nuerenberg
Title: Senior Vice President