



March 27, 2013

CONFIDENTIAL

President Neal Smatresk
UNLV
4505 S. Maryland Parkway, Box 451001
Las Vegas, NV 89154

Re: UNLV Now Project

Dear Neal:

I would like to take a moment to express a few thoughts at this important point in the relationship between UNLV and Majestic as regards the UNLV Now project.

As you know, when you charged the UNLV team and Majestic to enter into the ENA, you set forth an ambitious vision – to plan, design, finance and implement a vibrant, re-imagined UNLV campus which would properly reflect the growth of the University and proactively position the University for continued success in the century ahead.

While you articulated your vision and your hopes for a new masterplan involving educational, residential and commercial improvements, your team quickly focused this partnership on the Mega Events Center as the catalyst and critical first step for the redevelopment. The Mega Events Center would provide critical mass for the greater project while at the same time establishing a facility which would permit Las Vegas to capitalize on its unique entertainment environment. Indeed, as has been publicly noted many times concerning this project, the Rosentraub / Hobbs Ong study demonstrates that the Mega Events Center provides a unique opportunity to attract millions of visitors to Las Vegas and to bolster the Las Vegas economy, to the tune of \$600M- \$800M dollars of economic impact annually. The MEC thus not only promises to serve as a catalyst for the University, but also to the State of Nevada and the greater Las Vegas region.

Pursuant to the ENA and at UNLV's urging, Majestic has thrown itself into assisting UNLV in planning, designing, financing and implementing the MEC (although Majestic is equally excited about the prospects of delivering the Student Village to the UNLV campus, Majestic has not focused its efforts on this portion of the project due to the UNLV team's preferred initial sequencing of the MEC). As you know, Majestic has spent over 30 months and invested millions of dollars primarily at the direction of UNLV as it has worked steadfastly with the University to turn their plans into reality. Milestone achievements include the Regents' approval of the Campus Masterplan, securing of the MOU from Clark



County for additional lands, design of the UNLV Now Area Plan, engagement of the FAA for the MEC, budgeting for the Area Plan development and the MEC, and finally, the development of a complete operating model and analysis of public and private funding sources for the MEC.

The ENA also placed certain duties upon UNLV. Most importantly, UNLV committed and agreed to work with Majestic to achieve the critical public financing components of the project, and further to develop, step by step and exclusively with Majestic, the agreements and other building blocks for the successful development of the MEC (and the greater UNLV Now project). In order to capture Majestic's focus and energy, UNLV also agreed that it would not negotiate with others, or work with others, regarding the ownership, development or operation of any other events center, stadium or arena in Clark County. The spirit of this alignment of interests in the vision, strategic planning, and tactical strategies has been firmly in place for 24 months and has met with continuous public support from the Board of Regents. In fact, as recently as March 1st at the Regents' meeting it was described to them that Majestic and UNLV were working closely together to find the proper funding model to bring this project to fruition and would be in front of them at a later date with a plan.

While we have enjoyed immensely our partnership with UNLV, we remain deeply committed to this important project. We have successfully worked together to find solutions to many challenges over the past two years and pledge to continue to do so. Given the relationship we have enjoyed, we were surprised to learn over the past two weeks that UNLV has considered and now desires to cease joint pursuit of the UNLV Now and MEC development with Majestic. All of this notwithstanding the commitments which UNLV has made in the ENA and upon which Majestic has relied in working tirelessly and at great expense to facilitate the UNLV Now project.

President Smatresk, we are at a critical juncture. We are both aware there is material support at the legislature for the MEC and UNLV Now project envisioned by the ENA. While it is true that the MEC is not fully designed, it is precisely where we intended for it to be at this stage of legislative engagement. To have adopted in this Session, enabling legislation that supports the funding model for the MEC is exactly what the ENA process describes. As we have shared with the University, we are prepared to adjust elements of the "Basic Economic Terms" which we have negotiated with your team so as to include the State of Nevada and other stakeholders in the profits sharing arrangement to accomplish this and we stand prepared to do so. Further, legislators are aware of the challenges with finding the proper balance of public funding and have agreed to closely examine all sources of public funding.

President Smatresk, Majestic has followed through on its promises, and it is willing to continue to do so. We are perplexed as to UNLV's motives for not pursuing the project with Majestic nor open to the invitation to engage with the legislature and believe that Majestic is entitled to a forthright explanation as to the analysis which would lead UNLV to head in another direction. Furthermore, we are concerned about the nature of UNLV's performance under the ENA, and whether UNLV's performance has been consistent with the requirements of the ENA. Accordingly, we respectfully request that you instruct all



individuals at UNLV that have been involved with the project (and UNLV's various consultants and advisors) to protect, preserve and hold all emails, correspondence, notes and other materials pertaining to the project.

We hope that UNLV will reconsider its position and develop the resolve to permit us together to achieve the vision which you ambitiously articulated when you invited Majestic to join in this project just 24 months ago.

Very truly yours,

Craig Cavileer

cc: Board of Regents

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