

**SPECIAL MEETING
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION**
Third Floor Rotunda
Frank H. Rogers Science & Technology Building
Desert Research Institute
755 E. Flamingo Road, Las Vegas
February 11, 2011

Members Present: Mr. James Dean Leavitt, Chairman
 Dr. Jason Geddes, Vice Chairman *{via telephone}*
 Mr. Mark Alden
 Dr. Andrea Anderson
 Mr. Robert Blakely
 Mr. William G. Cobb
 Mr. Cedric Crear
 Dr. Mark W. Doubrava
 Mr. Ron Knecht
 Mr. Kevin C. Melcher
 Mr. Kevin J. Page
 Dr. Jack Schofield
 Mr. Michael B. Wixom

Others Present: Chancellor Daniel J. Klaich
 Executive Vice Chancellor & CEO, HSS, Maurizio Trevisan
 Vice Chancellor, Administrative & Legal Affairs, Bart Patterson
 CEO & Special Counsel to the Board, Scott Wasserman
 System Counsel & Director of Real Estate Planning, Hank Stone
 President Neal J. Smatresk, UNLV

Faculty senate chair in attendance was Dr. Cecilia Maldonado, UNLV. Student government leaders in attendance were Mr. David Rapoport, UNLV, and Mr. Kyle George, UNLV-GPSA.

Chairman Leavitt called the meeting to order at 9:01 a.m. with all members present except Regent Blakely.

The Pledge of Allegiance was led by Regent Schofield.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – The Committee moved approval for the Preliminary Assessment Agreement as submitted, subject to the following revision and express provisions: 1) changes the term of the Preliminary Assessment Agreement to 150 days; 2) no further agreement shall be executed by, or on behalf of UNLV unless and until submitted to and approved by the Board of Regents; 3) all agreements shall, in all respects, comply with Nevada law including requirements for competitive bidding, should it apply; 4) any rights of Majestic Realty Company pursuant to Article III, Section A(1)(b) titled “Right of First Refusal” shall lapse a) in the event of the adjournment of the 76th Session of the Nevada Legislature or any immediately subsequent special session if the financing legislation has not been approved or b) 36 months after termination of this Agreement regardless of the cause of such termination (*Ref. BOR-1 on file in the Board office*).

Regent Alden disclosed that he was contacted by Mr. Bob List, citizen and former governor of Nevada, and Mr. Sig Rogich, businessman, regarding the UNLV stadium proposal.

Regent Crear stated that, as a member of the Las Vegas Foundation Arena Board which has a proposal to build an arena located behind the Imperial Palace Hotel & Casino, he will abstain from the vote.

President Smatresk said that over the past few years of budget cuts UNLV has been challenged to do more with less and to find new, innovative and entrepreneurial ways to improve and support the campus and academic success of the students. In that spirit, UNLV is bringing forward an Agreement for approval to build a new arena that could help retain revenue flows, build the campus reputation, improve the UNLV experience and begin one of the most significant transformations in its history.

President Smatresk continued that the Majestic Realty Company approached UNLV in November 2010, to discuss an arena project. The Majestic Realty Company team of Mr. Ed Roski, Chairman and CEO, and Mr. Craig Cavileer, President, Silverton Casino Lodge, felt that a public-private partnership could fund a new events center to house UNLV football and other sports. The area would also contain mixed retail, restaurants and even housing, which would create a university village atmosphere and compliment the Midtown Vision.

President Smatresk noted the major considerations critical to the proposal: 1) the developer is not asking for funds or fees from UNLV; 2) UNLV’s current intercollegiate athletics program funding would have to remain intact or grow as a result of any activities associated with the partnership; and 3) the project must generate a significant revenue stream for UNLV to help support the development of stronger academic and research programs to increase recruitment of talented faculty, students and staff.

President Smatresk explained that before the issues can be seriously explored, approval for the Preliminary Assessment Agreement is requested from the Board. This Agreement would serve as a bridge that can be used for approval of a longer term relationship in which the developer, not UNLV, would place a significant amount of its capital at risk.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – *(continued)*

President Smatresk said that the Agreement requests a 130-day period to determine if UNLV can move forward with a more substantial agreement. President Smatresk indicated that there are four major goals to achieve in the 130-day period: 1) Majestic will work with, and honor, existing UNLV contracts and commitments, particularly those involving student housing and hotel development; 2) UNLV and Majestic will explore all needed approvals and agreements governing land use on the site; 3) UNLV and Majestic will work together to create the appropriate financing vehicle and gain the legislative approvals that would be needed for that; and 4) Majestic and UNLV will bring a longer term Exclusive Negotiation Agreement (*ENA*) for development of the potential project back to the Board for approval within the 130-day period.

President Smatresk requested that Mr. Roski come forward to introduce his team and present their vision.

Mr. Roski reported that Majestic Realty has been in operation since 1948 and in Las Vegas for 17 years. He thought the UNLV area was ideal to build a state-of-the-art events center as a co-anchor to a refurbished Thomas & Mack Center. The mixed-use development design embodies the spirit of UNLV and Nevada. Additionally, the creation of this unique public-private partnership will benefit the University for years to come.

Regent Blakely entered the meeting.

Mr. Cavileer felt that the project could transform UNLV, its campus, campus life and its culture. It will complement its mission of education and enrichment of students. He presented a PowerPoint report (*on file in the Board office*) outlining the history of Majestic Realty Company, its leadership, projects, cause and vision.

Mr. Cavileer stated that the UNLV campus is approximately 330 acres. The property around and including the Thomas & Mack Center is approximately 150 acres. The retail piece proposed for the project is approximately 600,000 square feet. Envisioned within this mixed-use project is not just the events center, but the campus would serve to complement various other projects like the Concordia Eastridge Hotel, and the residential on-and off-campus initiatives would serve as a catalyst for the proposed Midtown Vision. This would provide a reinvention of campus life and culture and would be a stepping stone for UNLV.

Mr. Cavileer said that the intention is to form a University Enterprise District to include all of the property owned by UNLV on the Las Vegas campus. As envisioned, this District would enable this and other projects to retain all incremental tax revenues generated, thereby providing the sustainable income stream necessary for the securitization of bond structured financing. This proposal will need to be presented to and approved by the Legislature. The drafting of this legislative proposal will begin immediately.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – *(continued)*

Mr. Cavileer continued that the bond financing would be paired with cash flow from operations, retail, club seat sales, corporate and private donations, and other sources including traditional bank financing to complete the financing structure. The initiatives will be led with the understanding that UNLV is Majestic's partner in this project and thus any legislation contemplated will require approval of UNLV.

Mr. Simon Sykes, Senior Partner of the Development Design Group, an international architectural planning company based in Baltimore, Maryland, specializes in the design of retail and entertainment mixed-use destinations. He presented a PowerPoint report (*on file in the Board office*) that included the vision for the UNLV campus and examples of other projects the Development Design Group has done, including Town Square and Tivoli Village in Las Vegas.

Regent Crear left the meeting.

Mr. Dan Meis, Design Partner in the architectural firm Populous, works in the field of sports arenas and stadiums. He said his relationship with Messrs. Roski and Cavileer dates back 16 years to the early planning and design of the Staples Center in Los Angeles and continues to this day. Mr. Meis provided a PowerPoint presentation (*on file in the Board office*) on the projects that Populous has created.

Mr. Cavileer explained that if the Board approves the Preliminary Assessment Agreement the next steps will be: to meet with Clark County Planning, Public Works and other local agencies; to meet with the Clark County Department of Aviation regarding development; to pursue approval of legislation for the creation of the District; and to finalize an ENA with UNLV which will serve as Phase 2 of the of the process. Majestic will provide regular and frequent updates to UNLV and remain transparent throughout the process.

Regent Crear entered the meeting.

2. Public Comment – Ms. Cecelia Maldonado, Faculty Senate Chair for UNLV, spoke as a member of the faculty and as a parent. She is excited about the potential of what this project will bring to the UNLV campus, including revenue that can be applied to academics. She is hoping that this will lead to stability so students can feel confident that their degree will have worth. Ms. Maldonado would like the Las Vegas community to share in the spirit of supporting this project.

Mr. David Rapoport, Student Body President, UNLV, said he represents the graduate students. He felt this proposal offers the opportunity to transform the UNLV that everyone knows. When this idea was first announced there was an excitement on campus that he has not seen for some time. The idea of creating a true campus community is an enthusiastic proposal. While the stadium is a large portion of the project, the retail

2. Public Comment – (continued)

shopping and additional student housing serves to round out the campus. He urged the Board to consider the proposal.

Mr. John O'Reilly, Vice Chair, UNLV Foundation, is passionate about the arena proposal which will serve as an anchor for UNLV to go from good to great. This project can touch the minds of the students and enhance the educational experience and the campus. Given the current economic challenges this project is something everyone can rally around. He requested the Board to vote yes for this proposal.

Mr. Marty Weinberg serves as first Vice President of the UNLV Alumni Association. He said that now is the time for a new events center and complex to take UNLV to the next level – it is an amazing opportunity. Given the financial times it is a bonus that there is no cost to UNLV. He asked that the Board approve this request so that UNLV can move forward.

Mr. Rick Smith, now a commercial developer, has been a part of the Rebel Athletic Foundation and the President's Council at UNLV. Mr. Smith felt that the proposal is a game changer that is far beyond anything else taking place in other parts of Las Vegas – it is without competition. It has been said that, "If you build it, they will come." Mr. Smith said they are already here – the critical mass, the activity node – whatever it is that goes on at a major university is already here. This will be the next step for UNLV to develop to its full potential. There will be retail, hospitality and athletic events. Mr. Smith believed this would be a boon to UNLV and the community as a whole. He offered to help in any way he could for this to become a reality.

Mr. Bob Stockham, UNLV graduate, former student athlete and President of the UNLV Football Foundation, stated that he has worked with Mr. Cavileer for the past seven years. He felt that Mr. Cavileer is a visionary who is dependable, and he is amazed that Mr. Roski and his team want to be a part of the UNLV dream. The time is now for a stadium on campus. It is essential.

Ms. Pat Lundvall, an attorney with McDonald, Carano, Wilson, LLP, representing International Development Management (*IDM*), indicated that UNLV has been presented with a long-term project and her focus is the Agreement presented for approval that day. It is a Preliminary Assessment Agreement and while some have suggested that it is merely a 130-day Agreement, it is not. Looking at the details of the document, there are two clauses that are particularly troubling that are transformed into a long-term arrangement. Article II, Section A(1)(iv) uses the word *shall* at the conclusion of the 130 day period of time, "Majestic and UNLV shall negotiate a supplemental agreement (the **"Exclusive Negotiation Agreement"**) ..." which means that UNLV starts with 130 days and then *shall* sign an ENA with Majestic for who knows how long a period of time. Ms. Lundvall noted that the second clause was under Article II, Section (A)(2) that says that at the conclusion of the ENA, UNLV *shall* have a Development Agreement with Majestic. Majestic's tasks are to design, assess, construct and operate the project.

2. Public Comment – *(continued)*

Once again, those two clauses combined together, would indicate that UNLV is signing up for a long-term project with Majestic Realty.

Ms. Lundvall thought that Majestic Realty was being granted an audition without the opportunity for any other competitor to audition or respond to an RFP to present a competing proposal. Ms. Lundvall stated that Chapter 338 of Nevada Revised Statutes memorialized the fact that our Legislature recognizes that competition is the best way to get the best products and/or the best services for our public entity. It obligates competitive bidding for a public body. Ms. Lundvall confirmed affirmatively that IDM would respond to an RFP.

Ms. Lundvall continued that Article II, Section B(2), does not permit UNLV to speak to anyone else during the 130 days or during the exclusive negotiating period of time. That exclusivity removes any practical check and balance from another competitor that might suggest that there could be a better way, or a more cost effective way, to accomplish this potential project. Ms. Lundvall encouraged UNLV to maintain a neutral status until it engages in a competitive bid process.

Mr. Dom Combeiro, CDD Architects, felt that this event will start another spike in the local economy. He believed that education is the only true ladder to success. This magnificent project will boost the educational goals and serve as an opportunity to be a catalyst both for UNLV and the community. Mr. Combeiro favored a public-private partnership that has no fiscal impact. It is a win-win proposition that makes the project feasible, it will revitalize UNLV, create jobs and re-energize the community. UNLV could then compete at levels with major universities throughout the nation and world-wide. He urged a favorable vote for this amazing project.

Mr. Dominic Salomone, First Charities Network, believes in higher education and UNLV. This proposal will transform UNLV from average to a great top-tier University. More students will live on campus, more jobs will be created and much needed revenue will be generated. He requested the Regents to take a hard look at finding a way to make this project work as opposed to finding the negatives. This is the shot in the arm the area needs now to bring it back to prosperity.

Former professional basketball player, Mr. Spencer Haywood, believed that with this project there is an opportunity to stabilize and anchor UNLV with an arena. The student body would stay within the campus range and have a rallying point. He would not like to have talented athletes leave the state.

Mr. Ted Quirk, Member of the UNLV Foundation, thought that the people who donated their time and assets tirelessly over the years made Las Vegas a better place to live. He said that it was shameful that UNLV had to defend itself against sabotage from out of state people who have no real interest in the community other than a self-serving one. It is important that the Board and the people focus on this project, which is not about

2. Public Comment – *(continued)*

competing projects, to make this University better. It is a great proposal and may be the best that UNLV has ever seen. Of course there are hurdles to overcome because it is a complicated, difficult project and the planning will take a long time, but we have a world-class set of participants that have their feet in the starting blocks ready to go.

Mr. Bob List, former governor of Nevada, has been a long time supporter of UNLV and the athletic programs. This is an incredible opportunity. He recalled that during his term as governor everyone worked hard to put money into the campus. This project is a huge leap. The team of developers are world-class, first-class people. He has known Mr. Roski for 17 years. There is nobody better. Mr. List stated that Mr. Roski has vision, is careful and does not proceed unless it is feasible and, when he proceeds, the job is done first class. There is first-hand development of on-campus housing, restaurants and retail – this is an unprecedented opportunity for the faculty and students. UNLV is so fortunate that a first-class developer has come forward to turn the campus into a world class facility. He felt this might be the most important vote that the Regents will make.

Mr. Tom Thomas, Thomas & Mack Development Group, is representing both the Thomas and Mack families. They have adopted UNLV as their own and are very passionate about the opportunities that have been presented to UNLV over the years. Mr. Thomas noted that most Regents have not had an opportunity to know the Majestic organization as the Thomas and Mack families have for the past 10 years. The Majestic organization is a creative, passionate and extremely ethical group of individuals who will take the 130-day period seriously and devote their time and effort to present the reality of what the possibilities will be. Mr. Thomas felt that Majestic will be above board in their dealings. From his family's standpoint, Mr. Thomas highly recommended going forward to see where this may lead.

Mr. Charles Munoz, Americans for Prosperity, preferred speaking from a student's standpoint. He said that students are excited and have been talking about this non-stop since it was announced in the news. This type of atmosphere is needed on campus. He stated that students would like to be a part of this much needed UNLV arena.

Mr. Michael Saltman, Vista Corporation, adopted UNLV many years ago. He met with the Roski/Cavileer organization and with the staff and president of UNLV. He plans to be very much involved with the housing portion of the arena project and the process. Mr. Saltman is a proponent of an on-campus football program and future campus activities.

Mr. Bruce Deifik, President of the Greenspun Corporation, was asked to deliver a very clear message that the Corporation fully supports the arena project and vision that Messrs. Roski and Cavileer have presented to UNLV. This new development can transform a transient campus to a stabilizing community.

2. Public Comment – *(continued)*

Mr. Fred Albrecht went to work at UNLV in 1970. He attended the first UNLV football game at Cashman Field. At that time all athletic events were off campus. Everything that has been built since that time was done to engage students on campus. In 1950 visionary people developed the UNLV campus and that plan contained a football facility exactly where it is proposed right now. He asked the Board to complete that goal for students and alumni and to make UNLV a better place.

Mr. Chuck Davidson, former President of the UNLV Football Foundation, watched his first basketball game at the Dooley Center in 1957 when he was seven years old. For 20 years he asked the University to bring something like this on campus and now the opportunity is here. Go Rebels!

The meeting recessed at 10:47 a.m. and reconvened at 10:57 a.m. with all members present.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – *(continued)*

Mr. Bart Patterson, Vice Chancellor, Administrative & Legal Affairs, indicated that there are legal issues in the Agreement related to the competitive bid process. Addressing those issues with the Agreement itself and reviewing Article II, Section A(1)(iv) there is a reference to “shall negotiate a supplemental agreement”, but what that provision further says is “if, at the end of the Term, Majestic and UNLV decide to further the Potential Project.” Mr. Patterson noted that there is a caveat to the “*shall*” that there has to be a mutual agreement to continue to pursue. He believed that phrase should provide the Board with comfort. He did not feel it was the intent for this not to come back to the Board, but that could be a clarification.

Mr. Patterson continued that contained in Article II, Section A(2) is the language “...shall be engaged by UNLV to implement the development work for the Potential Project,” but again it is followed by the phrase “to the extent that Majestic and UNLV determine to pursue the same as described above.” Once more, there is a caveat on a mutual agreement to go forward which would come to the Board. Mr. Patterson said that on the end of that clause there is a very specific statement that “...Majestic acknowledges that by entering into this Agreement (A) UNLV is not making a commitment to proceed with the potential project and (B) subject to the terms of this Agreement or any subsequent Agreement between the parties, UNLV at all times shall have the right, in its discretion, to elect to terminate its pursuit of the potential project.” Mr. Patterson felt that declaration was protection for the Board.

Mr. Patterson noted that the final clause for comment in the Agreement is what is being referred to as a Right of First Refusal, Article III Section A(1)(b) relating to the planning materials prepared in the preliminary assessment. He thought the Board should note that that is not time limited, which may be something the Board may want to address.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – (continued)

Mr. Patterson stated that regarding the NRS Chapter 338 issues, obviously all of the institutions and legal counsel regularly work with the implications of Chapter 338 and what is or is not a public work that may require competitive bidding, what may require the use of the Public Works Board, what may require prevailing wage, and all of those various elements involved in a construction project. He felt that, at this point in time, there is a services provision – not a construction project. There is no specific proposal being brought forward to construct any particular facility. In fact, the economic relationship of the parties has yet to be established. Until that economic relationship becomes established, it is premature to talk about any particular portion of the project that would require a bid as a public work, nor is it necessary to move forward in an RFP context. He cannot express a view from a policy standpoint whether an RFP would be useful or helpful – it is not his role. From a legal standpoint Mr. Patterson is comfortable with the Board moving forward without an RFP based on this existing Agreement.

Regent Wixom was excited about the conversations offered. He thought there were dramatic proposals which mean a great deal for the future of the University. However, the Board should look skeptically close at the responsibilities and opportunities to make sure nothing is missed.

Regent Wixom said he and Regent Geddes have the same questions which relates to the current revenue stream for the Thomas & Mack Center. Depending on what is and is not included, the revenue stream ranges between approximately \$7 million and \$23 million annually from the three facilities that are affected by this proposal: the Thomas & Mack Center, the Cox Pavilion and the Sam Boyd Stadium. He asked how that revenue stream would be preserved going forward. President Smatresk said approximately \$26 million per year is derived by UNLV, some of which supports UNLV athletics. What he would be concerned with is losing revenue stream. UNLV holds some major activities and the loss of several of these activities would put a very large structural hole in the budget of athletics and the campus. Many costs associated with the Thomas & Mack Center is related to its operational expenses. The actual proceeds above and beyond that is the area of concern. UNLV does not know the precise details of any term that would be established with a developing entity going forward, but it would be imperative to insist that a major portion is that UNLV Athletics and its current revenue flow is maintained or enhanced.

Regent Wixom urged that if the Board approves the Preliminary Assessment Agreement, the revenue stream must be addressed as one of the primary issues going forward because it is critical to the University.

Regent Wixom understood why the financing legislation was approached as it was in Article II, Section A(1)(iii) however, he advised to be particularly cautious that none of the financing would encumber or include student fees or revenues or assets of the University. Student fees are a critical issue that cannot be part of the process.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – (continued)

President Smatresk replied that he would not commit to financing streams that would obligate students, compromise athletics, put funds at risk, or damage the ability to grow and function as an academic campus. He anticipated being in close contact with the Board.

Regent Wixom asked about what point in time, and in what manner, will the proposed financing legislation be presented to the Legislature and returned to the Board before it receives final approval or submission. Chancellor Klaich stated that the legislation would be brought to the Board as is the procedure for all legislative matters that will take place between now and the closure of the Legislature.

Regent Wixom noted that the Preliminary Assessment Agreement was an Agreement to negotiate, not an Agreement to agree. He believed it did not present an issue, especially with the caveats contained in the Agreement. Regent Wixom would like to discuss a process whereby the ENA and the Development Agreement come back to the Board. Chairman Leavitt directed that this be a standing item to be addressed at the Investment and Facilities Committee.

Regent Wixom referred to Article II, Section B(1), where UNLV would approve the planning materials presented by Majestic Realty, and asked who would participate in the approval process. Mr. Gerry Bomotti, Senior Vice President, Finance & Business, UNLV, replied that there will have to be some specific, detailed structures if the Board grants approval today. It would include the NSHE finance team (Scott Nash, John Swenseid and others) and architects from the Planning & Construction area who developed the *Master Plan*, which would have to be reviewed because it would be impacted. Mr. Bomotti anticipated that there will be a number of individuals at UNLV working through the normal process, which would include stakeholder review and comment because this is a very large design undertaking. Information would feed back through the president to share and discuss with the Board and the Chancellor. From the technical standpoint each individual element would have to be set up with teams.

Regent Wixom indicated that this would be a three-tiered process, with the first being today's approval. There will then be an assessment phase and the legislative phase, followed by a due-diligence period. After that there would be an ENA which would then lead to a due-diligence period of an analysis of the project. The last phase will be the Final Agreement. Regent Wixom asked about the time frame for that to take place. President Smatresk stated that there is the 130-day period. The second phase to develop the business model, more concrete plans, *Master Plan* and other details could take a year or potentially more. Mr. Cavileer indicated that the 130 days is clear. The next period of time falls into two categories: there is a 12 month period of time to accomplish the ENA, setting forth during that timeframe Majestic would be working toward all of the customary agreements that come together on a project like this, and a six month tail if the Agreement is to continue to move forward and to finish with the documents if they have

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – *(continued)*

not been completed. Maybe after the 130-day period is finished, an outline of that first 12 months and following six months could be presented. Chairman Leavitt added that there will be an update that will provide more information at the June 2011 Board meeting.

Regent Wixom viewed the right of first refusal to be perpetual. He felt there should be a limitation period on that provision. He would like, as part of the analysis, to go back to what the original plans were for the use of the 150 acres to understand the original idea and how it interplays with that vision. He thought that it was crucial not to lose sight of the existing contractual obligations.

Regent Knecht noted that this project is to do what is best for UNLV. He pointed out that this is a 130 day Preliminary Assessment Agreement, moving toward an ENA. He is concerned that the residual risks with a public-private partnership concerning revenues, costs, and delays be privatized, not socialized and should not rest with UNLV, NSHE the state of Nevada or the public. Regent Knecht understood that there is a risk-reward relationship and the benefit has to be balanced by the risks that UNLV and the public are taking should this proceed after 130 days. The major risks betting on the success rests with private capital. He requested that UNLV provide close coordination with Chancellor Klaich, Board Chairman and the Chair of the Investment and Facilities Committee.

Regent Knecht agreed with Mr. Patterson that the “shall” issue was not an issue. The perpetual right of first refusal shall be addressed in the motion. He continued that Article II, Section A(2)(ii) has a parenthetical that says “(except that the Assessment Services shall include Majestic’s efforts in connection with the formation of the financing district, as described in Section II.A.1 above);” – and followed by item iv which is the development of timelines, constructions budgets and operating budgets for the project, he does not see the same parenthetical, but Regent Knecht assumed there is a level of effort that is expected within the four corners of the Preliminary Assessment Agreement in that regard. He felt the proposal was good for UNLV as a whole, especially since it does not draw on any funds or commitment of funds. The project is a turning point for UNLV, NSHE, the state and the City of Las Vegas.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – *(continued)*

Regent Knecht moved approval for the Preliminary Assessment Agreement, as submitted, subject to the following express provisions: 1) no further agreement shall be executed by, or on behalf of UNLV unless, and until, it is submitted to and approved by the Board of Regents; 2) all agreements shall, in all respects, comply with Nevada law, including requirements for competitive bidding should such requirements apply; 3) any rights of Majestic pursuant to Article III, Section A(1)(b), the right of first refusal, shall lapse (a) in the event of the adjournment of the 76th Session of the Nevada Legislature or any immediately subsequent special Session if the financing legislation has not been approved or (b) 36 months after the termination after the term of the Preliminary Assessment Agreement regardless of the cause of such termination. Regent Schofield seconded the motion.

Regent Alden suggested a friendly amendment to increase the amount of time from 130 days to 150 days; have the Exclusive Negotiation Agreement removed from the Preliminary Assessment Agreement; and have the Agreement capable of being extended by both parties, as necessary, without Board approval. Regent Wixom urged rejection of the friendly amendment because the exclusivity period relates to the right of first refusal. He stated that it is unfair to require Majestic to expend the effort, diligence and energy and then have the ability to pull the rug out from underneath them. Understand, Majestic is also bringing something to the table.

Regent Page stated that Nevada leads the country in unemployment, foreclosures and bankruptcies. He requested that if the project moves forward to be conscientious of using Nevada companies and workers.

Regent Alden explained that the friendly amendment was meant to show some confidence in Majestic and UNLV.

Regent Knecht asked about the 130 days going to the end of the Legislative session. Mr. Patterson reported that the way the Agreement was drafted, it continues, notwithstanding the 130 days, to the end of the session or any special session the governor called relating to this topic – it does have an automatic extension. The 130 days was not selected just for the purposes of the legislation, but also to bring it to the June, 2011, Board of Regents' meeting. He felt there should be no problem with 150 days.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – *(continued)*

Regent Knecht accepted the friendly amendment to increase the time to 150 days. He did not accept any other change to the motion. Chairman Leavitt noted that it is not necessary to actually specify the change to 150 days because the Agreement already contemplates an extension.

Regent Knecht and Regent Schofield accepted the friendly amendment to extend the Preliminary Assessment Agreement to 150 days.

Regent Crear is a proponent of having a stadium on campus. He asked if there was a bill draft request in place. Mr. Cavileer said a bill draft was not prepared because it was felt to be inappropriate before making the presentation to the Board. Regent Crear asked if some sort of cost had been determined. Mr. Cavileer indicated that the project has not yet been accepted, so no cost has been established. The cost will be determined by the scale of the project.

Regent Crear is concerned that the UNLV students will not bear the burden of this project. Mr. Cavileer concurred and added that the planned project would not put the University treasure at risk, including the land that would be contributed toward the public-private partnership. The documents to follow would mitigate the risk for UNLV.

Regent Crear asked about the project tying into the Midtown project. Mr. Cavileer indicated that the Midtown Vision is smaller in scale and felt that the UNLV project with its scale and critical mass, combined with the synergy of the remainder of the University makes Midtown a true reality. Regent Crear urged that local, and minority and women-owned businesses be considered for the project.

Regent Cobb recommended eliminating compliance with Nevada state law in the Agreement because every agreement must comply with Nevada state law. He disagreed with the change from 130 to 150 days. Twenty days extension is not going to magically prevent a lawsuit if one is going to be filed. Some sophisticated people negotiated the Agreement. Regent Cobb agreed that there should be no financial burden on UNLV. At some point in time maybe the Chancellor can supply some input.

Regent Anderson asked about the general vision for the length of time this will take and whether it is felt that the retail space will be able to be rented, given the current economic climate. Mr. Cavileer replied that this type of project is typically phased. It would be unrealistic to think that all 150 acres will be built simultaneously. The plan will not have retail sitting empty.

Regent Blakely noted that the plan indicated that Swenson Street will be closed. Mr. Cavileer stated that the project is not contingent on Swenson Street being relocated.

1. Approved-Exclusive Rights to Engage in Negotiations with Majestic Realty Company on a Major UNLV Campus Development Project – *(continued)*

Regent Wixom felt this project is a creative way to maximize UNLV. He supports the plan for that reason. Even though there are protections built into the Agreement he requested that the Board be skeptical. He felt that student fees will not be an issue. Regent Wixom saw little risk in the process to move forward and perceived this project as a positive that he will support.

Regent Alden stated that he could not vote to approve the project without removing the Exclusive Negotiation Agreement provision from the Preliminary Assessment Agreement.

Regent Melcher believed that the downfall of the Fire Science Academy is because it is 270 miles away from Great Basin College. This project brings something onto the campus which will do amazing things for student life.

Mr. Scott Wasserman, CEO and Special Counsel to the Board of Regents, restated the motion:

Regent Knecht moved approval for the Preliminary Assessment Agreement as submitted, subject to the following revision and express provisions: 1) changes the term of the Preliminary Assessment Agreement to 150 days; 2) no further agreement shall be executed by or on behalf of UNLV unless and until submitted to and approved by the Board of Regents; 3) all agreements shall, in all respects, comply with Nevada law including requirements for competitive bidding, should it apply; 4) any rights of Majestic Realty Company pursuant to Article III, Section A(1)(b) titled "Right of First Refusal," shall lapse a) in the event of the adjournment of the 76th Session of the Nevada Legislature or any immediately subsequent special session if the financing legislation has not been approved or b) 36 months after termination of this Agreement regardless of the cause of such termination.

Upon a roll call vote the motion carried. Regents Anderson, Blakely, Cobb, Doubrava, Geddes, Knecht, Leavitt, Melcher, Page, Schofield and Wixom voted yes. Regent Alden voted no. Regent Crear abstained.

Chairman Leavitt indicated that the Board has spoken and today it continues to invent the future; that future is now and it is ours.

3. New Business – Regent Knecht stated that the K-12 Board made a move to have reciprocal members between the Regents’ Board and theirs. He requested that this be placed on the next agenda. Chairman Leavitt requested that Mr. Wasserman place this item on the March 2011, agenda.

The meeting adjourned at 12:07 p.m.

Prepared by: Nancy Stone
Administrative Assistant IV

Submitted for approval by: Scott G. Wasserman
Chief Executive Officer & Special Counsel
to the Board of Regents