

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this 6<sup>TH</sup> day of August, 2008 by and between the CITY OF LAS VEGAS, a municipal corporation in the State of Nevada ("City") and LAS VEGAS CONVENTION AND VISITORS AUTHORITY, a local government entity duly organized in the State of Nevada ("Authority").

### RECITALS

WHEREAS, on July 20, 1981, the City conveyed by Quitclaim Deed to Authority certain real property located at 850 N. Las Vegas Boulevard in the City of Las Vegas and commonly known as the Cashman Center/Field ( the "Property");

WHEREAS, the Quitclaim Deed contained a restriction that the Property be used as a multi-purpose sports stadium, convention/exhibit hall and auditorium/theater complex ("Restricted Uses");

WHEREAS, the Quitclaim Deed for the transfer of the Property also contained a reversionary clause in favor of the City that should the Restricted Uses on the Property cease to be operated and maintained by Authority, the ownership of the Property shall revert to and revest in the City;

WHEREAS, the Authority desires to cease operations and maintenance of the Property and the City desires to re-enter the Property pursuant to the terms of the Quitclaim Deed;

WHEREAS, the Parties desire to enter into this MOU to memorialize their agreement to negotiate and execute a final agreement for the transfer and re-entry of the Property by the City.

NOW, THEREFORE, City and Authority agree to proceed as follows:

#### 1. TERM

For purposes of determining the effective date of this MOU, the effective date shall be the latter date that this MOU is approved by the Las Vegas City Council and the Board of the Las Vegas Convention and Visitors Authority ("Effective Date"). The MOU shall expire six (6) months from the Effective Date and may be extended for up to three (3) consecutive periods of six (6) months ("Extension Periods") upon written mutual agreement by the City Manager of the City and the President of Authority which agreement shall be executed no later than thirty (30) days prior to the expiration of the applicable term.

#### 2. FEASIBILITY REVIEW OF THE PROPERTY

The Authority shall grant the City reasonable access to the Property, subject to any current tenant approvals; to carry out its due diligence inspection of the Property and the Authority acknowledges and understands the conditions and exceptions as set forth in Exhibit

“A”. This right to enter shall be effective on the date this MOU is executed and shall expire within six months of the effective date of this MOU, or any extension thereof, or on the effective date of the Transfer Agreement, whichever it later (“Feasibility Period”). The Feasibility Review shall also consider any outstanding easements, use restrictions or other matters that encumber any portion of the Property for future long term use. City’s access to the Property shall be limited by the current tenants' reasonable use and operation of the Property. The City may be excluded by the Authority if such access interferes with tenant’s operation. However, reasonable accommodation shall be made to allow the City to conduct their due diligence in a timely and efficient manner.

### **3. DUE DILIGENCE REVIEW OF THE OPERATIONS**

Throughout the Feasibility Period, the City shall review the financial condition of the current business operations at the Property. The Authority agrees to cooperate with the City in providing access and copies to any and all business records regarding the operations of the Property, including, but not limited to, current agreements with all users, tenants, licensees and concessionaires at the Property, financial statements setting forth the financial condition of the operations at the Property, and any other records as deemed necessary by the City in conducting its due diligence review.

### **4. PLAN FOR INTERIM OPERATIONS**

Throughout the Feasibility Period, the City and Authority agree to cooperate and in good faith prepare a Plan for Interim Operations for the transition of the Property and its operations from Authority to the City. The final Plan for Interim Operations shall be incorporated into the Transfer Agreement for approval by the City and Authority.

### **5. DEVELOPMENT PLAN**

Throughout the Feasibility Period, the City agrees to conduct a highest and best use analysis of the Property to ascertain, under an objective approach, the re-use of the Property that will create the greatest and most compatible impact for economic and redevelopment to the City. The analysis will include, but not be limited to, professional baseball stadium and facilities, an urban medical center, a mixed use urban village, a international market and exposition complex, a civic/government center, cultural facilities (museum/arts, etc.), or an educational or university campus. The Development Plan for the Property may be included as a part of the Transfer Agreement.

In order to conduct the above analysis required by the City, Authority further authorizes its President to approve on a case by case basis the City’s solicitation of letters of interest, qualifications and proposals for the development of the Property throughout the Feasibility Period. Authority hereby authorizes the City to market and/or advertise the Property for future development to potential developers, investors and other related parties.

## **6. FINAL TRANSFER AGREEMENT**

Subject to an assessment of the feasibility of redevelopment of the site the City and Authority agree to negotiate, a final Transfer Agreement for re-conveyance of the property to the City or a wholly owned and controlled city entity. The Transfer Agreement is contemplated to address and may include, but not be limited to, the following items:

- a. Final resolution of the due diligence investigations of the physical condition of the Property;
- b. Final analysis and evaluation of the financial condition of the current business operations of the Property, including review of the current agreements with users, tenants, licensees, concessions at the Property, outstanding debt, and tenancy of the Las Vegas 51s baseball team;
- c. Evaluation of alternatives to eliminate losses at the Property which may consider recommended alternative uses, creative management approaches, and closure of the operations at the Property;
- d. Details of a development site plan for future development of the Property and implementation plan for the transition of interim operations;
- e. General escrow provisions for the transfer and conveyance of the Property;
- f. Preliminary title report, any acceptable exceptions and resolution of any outstanding exceptions.
- g. Assignments and/or cancellations of current contracts, licenses, leases and other documents affecting the Property.
- h. The Authority will continue to operate and maintain the Property until an agreement is recorded and possession is provided to a qualified third party developer. The Final Transfer Agreement shall include professional baseball stadium and facilities on the Property or constructed on another property prior to transfer.

## **7. NON-BINDING AGREEMENT**

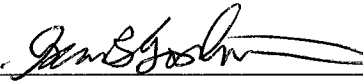
The provisions of this MOU are non binding on either party and are intended only to set forth the current intent of the parties hereto and the general scope of the items to be conducted during the Feasibility Period and the final Transfer Agreement, which agreement shall then be binding. The final Transfer Agreement must be approved by the LVCVA Board of Directors and the City Council of the City.

**8. EXECUTION IN COUNTERPARTS**

This MOU may be executed in any number of counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one agreement. To facilitate the execution of this MOU, the parties may execute and exchange by facsimile counterparts of the signature pages.

**IN WITNESS WHEREOF**, the City and Authority hereto have executed this MOU on the day and year first above written.

CITY OF LAS VEGAS

By:   
Oscar B. Goodman, Mayor

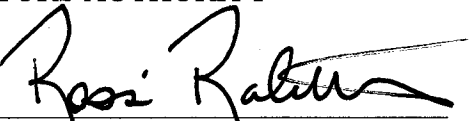
ATTEST:

  
Beverly K. Bridges, CMC, City Clerk

APPROVED AS TO FORM:

John S. Ricella 7/28/08  
Date

LAS VEGAS CONVENTION AND  
VISITORS AUTHORITY

By:   
Rossi Ralenkotter, President/CEO

