

### General Overview

As of August 31, 2018, all reports generally indicate the Las Vegas stadium project is on schedule, on budget, will include all project elements and will meet the project standards set forth in the Stadium Development Agreement and Senate Bill 1 (2016 Special Session). Pursuant to the Stadium Development Agreement approved by the Las Vegas Stadium Authority Board on March 28, 2018, and the revised project budget approved by the Stadium Authority Board on May 23, 2018, the stadium project is a premier, first-class, multi-level stadium totaling approximately 1.5 million square feet with an enclosed roof on a 62.5-acre site located in Clark County, Nevada. The enclosed stadium will include a fixed ETFE roof structure, contain 107 suites and have a seating capacity of 62,228 (expandable for major events).

### Project Budget

The project budget remained unchanged at \$1.84 billion during the current reporting period. Six funding notices have been processed by the Stadium Authority totaling \$347.6 million, approximately 18.9 percent of the aggregate project budget. Authority contributions to the project currently total \$75.6 million, approximately 21.7 percent of total outlays to date.

### Project Schedule

The project schedule was unchanged during the period. Substantial completion of the project is anticipated on or before July 31, 2020.

### Project Contingency

The stadium project contingency decreased by \$418,817 during the period and currently totals \$111.6 million. It includes a GMP contingency of \$96.6 million, systems and equipment contingency of \$5.9 million and project contingency of \$9.1 million. The aggregated contingency currently equals 7.5 percent of remaining project costs, an increase of 0.1 percentage point from the prior period. The referenced reduction was sourced to the GMP contingency. The Construction Monitor indicated that the Contingency Usage Log remained pending as of the date of their August report; additional information is expected in September.

### Change Orders

Total change orders were unchanged during the period, remaining at \$1.63 million. Pending change orders decreased from \$36.6 million in July to \$22.0 million in August. Pending change orders include \$10.5 million for reallocations within various project budget line items, including a \$9.2 million reallocation from the off-site infrastructure budget. Discussions with the Construction Monitor, Authority Construction Representative and StadCo indicate that the change orders related to off-site infrastructure are merely moving infrastructure work from outside the GMP to inside the GMP and that there is no anticipated change to the scope or quality of the project. The remaining \$11.5 million in pending change orders reflect various costs for project enhancements, allowance adjustments and tariff impacts. The Construction Monitor did caution that if all pending change orders were to materialize, items such as owner enhancements, allowance adjustments and tariffs could exceed the \$9.1 million project contingency, a circumstance that would potentially require supplemental owners' equity. The Construction Monitor further recommended that the contingencies be "carefully monitored" to ensure a balanced budget.

### StadCo Project Status Report

StadCo submitted a monthly project report on August 30, 2018, providing a general overview of the status of (1) design planning; (2) the project budget; (3) the construction schedule; (4) permitting, licenses and approvals; (5) compliance with various provisions of Senate Bill 1; and (6) compliance with the provisions of the community benefits plan. StadCo cited no variance in the project schedule, no variance in the project budget and compliance with statutory provisions. While reporting that the overall project remains on schedule, StadCo did note, "several elements of the Project have been re-sequenced to provide more time than originally planned for concrete placement." Both StadCo and the Authority Construction Representative

indicated that this type of schedule adjustment is not uncommon on a project of this magnitude and is likely to occur from time to time.

## Construction Monitor's Reports (Jones Lang LaSalle)

The Construction Monitor submitted Site Observation Report 12 on August 23, 2018. The report supported a draw of \$32.0 million and certified that: (1) all design agreements remain in full force and effect and have not been modified; (2) there has been no material deviation in stadium costs; (3) all required permits have been issued and are in effect; (4) all current draws are being used for project costs; (5) the project is proceeding on schedule and will be completed by the scheduled completion date; (6) all funds previously requisitioned have been used for their intended purpose; (7) there have been no material change orders other than those permitted by the Development Agreement or the Design-Build Agreement; and (8) the Construction Monitor has no knowledge of any vendors' liens, mechanics' liens or security interest that should be satisfied or discharged before the immediate payment request.

On May 15, 2018, the Construction Monitor provided its Initial Review Report. That report concluded that the project budget and contingency appeared appropriate. The Construction Monitor did have several follow-up questions and data requests for StadCo. The Construction Monitor noted that a number of those questions remain open; however, it has been provided an updated set of plans (i.e., Package 5) and anticipates that the balance of remaining responses should be addressed therein. This review remained ongoing as of the most recent reporting period, and the Construction Monitor indicated that its review of the additional information is forthcoming.

Finally, Site Observation Report 12 included an off-site infrastructure budget. Notably, that budget reflected \$0 for two line items related to parking and pedestrian movement. StadCo has advised that parking options are still being explored, and the final parking plan will reflect any necessary augmentations to the project budget and its sources. The Construction Monitor stated that it intends to monitor the costs associated with this off-site infrastructure budget.

## Authority Construction Representative (Grand Canyon Development Partners)

Grand Canyon Development Partners ("GCDP") provided a series of updates during the period based on (1) attendance at regularly scheduled construction meetings; (2) attendance at recurring monthly meetings with the StadCo Representative; (3) routine site visits and (4) a review of project materials and reports submitted by StadCo and the Construction Monitor. GCDP identified no changes to project submission matters requiring the Authority's approval. To its knowledge, there are no environmental issues and no material claims by any members of the project team. Additionally, based on a review and understanding of the materials and information provided during the latest reporting period, it is GCDP's opinion that the stadium project will be completed on time and on budget, will include all project elements, and will meet project standards set forth in the Stadium Development Agreement and Senate Bill 1 (2016 Special Session).

Relative to the modified schedule for concrete placement, GCDP noted, "Although the completion date for concrete elevator cores and elevated decks is later than originally contemplated, the contractor has adjusted other work activities allowing the schedule to continue toward completion on July 31, 2020. We will observe the progress of the work to determine that the corrective actions employed will ensure the intended completion dates."

GCDP also noted that on June 26, 2018, they attended a meeting between StadCo and UNLV to review stadium design documents. GCDP reported that "UNLV seemed pleased with the functional space allotted for UNLV football operations," and that the parties were working together to evaluate the space needed to accommodate UNLV's cheerleading squad, which can include 120 members. In its August report, GCDP indicated that this issue has been favorably resolved.

Stadium Project Uses of Funds

Month/Year	Project Budget		Project Contingency		Contingency as a % of Budget to Complete		Change Orders		Project Completed During Period		Project Completed to Date		% Completed to Date	
	\$		\$		%		\$		\$		\$		%	
<b>Pre-GMP Period</b>	Sep-17	\$ 1,736,965,813	[1]	\$ 135,827,170	[1]	8.3%	[2]	\$ -	\$ 101,927,013	[1]	\$ 101,927,013	[1]	5.9%	[3]
	Oct-17	\$ 1,727,449,040	[4]	\$ 135,827,170	[4]	8.4%	[2]	\$ -	\$ 10,594,806	[4]	\$ 112,521,819	[4]	6.5%	[3]
	Nov-17	\$ 1,727,449,040	[5]	\$ 135,827,170	[5]	8.5%	[2]	\$ -	\$ 10,385,137	[5]	\$ 122,906,956	[5]	7.1%	[3]
	Dec-17	\$ 1,846,322,374	[6]	\$ 125,216,471	[6]	7.3%	[2]	\$ -	\$ 17,286,161	[6]	\$ 140,193,117	[6]	7.6%	[3]
	Jan-18	\$ 1,846,322,374	[7]	\$ 125,216,471	[7]	7.4%	[2]	\$ -	\$ 21,585,229	[7]	\$ 161,778,346	[7]	8.8%	[3]
	Feb-18	\$ 1,846,322,374	[8]	\$ 124,951,258	[8]	7.5%	[2]	\$ -	\$ 10,588,858	[8]	\$ 172,367,204	[8]	9.3%	[3]
	Mar-18	\$ 1,800,000,000	[9]	\$ 106,152,453	[10]	6.6%	[2]	\$ -	\$ 17,207,932	[10]	\$ 189,575,136	[10]	10.5%	[3]
	Apr-18	\$ 1,800,000,000	[9]	\$ 106,152,453	[13]	6.7%	[2]	\$ - [14]	\$ 16,150,752	[13]	\$ 205,725,888	[13]	11.4%	[3]
	May-18	\$ 1,840,000,000	[17]	\$ 112,052,620	[18]	7.0%	[2]	\$ 1,625,940	\$ 40,835,486	[19]	\$ 246,561,374	[20]	13.4%	[3]
	Jun-18	\$ 1,840,000,000	[17]	\$ 112,052,620	[23]	7.2%	[2]	\$ -	\$ 38,778,712	[24]	\$ 285,340,086	[24]	15.5%	[3]
	Jul-18	\$ 1,840,000,000	[17]	\$ 112,056,457	[27]	7.4%	[2]	\$ - [28]	\$ 30,225,023	[29]	\$ 315,565,109	[29]	17.2%	[3]
	Aug-18	\$ 1,840,000,000	[17]	\$ 111,637,640	[32]	7.5%	[2]	\$ - [33]	\$ 32,027,796	[34]	\$ 347,592,905	[34]	18.9%	[3]
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Stadium Funding Sources

Month/Year	Stadium Authority		Bank of America Senior Credit Facility		Personal Seat License (PSL) Revenues		NFL G4 Credit Facility		Other Funds		Total Amount Funded Period the Period	Cumulative Amount Funded to Date
Pre-GMP Period	Sep-17	\$ -	\$ 101,927,013	[1]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,927,013	\$ 101,927,013
	Oct-17	\$ -	\$ 10,594,806	[4]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,594,806	\$ 112,521,819
	Nov-17	\$ -	\$ 10,385,137	[5]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,385,137	\$ 122,906,956
	Dec-17	\$ -	\$ 17,286,161	[6]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,286,161	\$ 140,193,117
	Jan-18	\$ -	\$ 21,585,229	[7]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,585,229	\$ 161,778,346
	Feb-18	\$ -	\$ 10,588,858	[8]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,588,858	\$ 172,367,204
	Mar-18	\$ 5,250,284 [11]	\$ - [12]	\$ - [12]	\$ 11,957,648 [12]	\$ - [12]	\$ - [12]	\$ - [12]	\$ - [12]	\$ - [12]	\$ 17,207,932	\$ 189,575,136
	Apr-18	\$ 7,189,145 [15]	\$ - [16]	\$ - [16]	\$ 8,961,608 [16]	\$ - [16]	\$ - [16]	\$ - [16]	\$ - [16]	\$ - [16]	\$ 16,150,752	\$ 205,725,888
	May-18	\$ 18,176,999 [21]	\$ - [22]	\$ 22,658,486 [22]	\$ - [22]	\$ - [22]	\$ - [22]	\$ - [22]	\$ - [22]	\$ - [22]	\$ 40,835,486	\$ 246,561,374
	Jun-18	\$ 17,261,473 [25]	\$ - [26]	\$ 13,517,239 [26]	\$ 8,000,000 [26]	\$ - [26]	\$ - [26]	\$ - [26]	\$ - [26]	\$ - [26]	\$ 38,778,712	\$ 285,340,086
	Jul-18	\$ 13,453,990 [30]	\$ 16,771,033 [31]	\$ - [31]	\$ - [31]	\$ - [31]	\$ - [31]	\$ - [31]	\$ - [31]	\$ - [31]	\$ 30,225,023	\$ 315,565,109
	Aug-18	\$ 14,256,454 [35]	\$ 17,771,342 [36]	\$ - [36]	\$ - [36]	\$ - [36]	\$ - [36]	\$ - [36]	\$ - [36]	\$ - [36]	\$ 32,027,796	\$ 347,592,905
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	<b>Current Amount</b>	<b>\$ 75,588,345</b>	<b>\$ 206,909,579</b>		<b>\$ 36,175,725</b>	<b>\$ 28,919,255</b>	<b>\$ -</b>	<b>\$ 347,592,905</b>				
	<i>Share to Date</i>	<i>21.7%</i>	<i>59.5%</i>		<i>10.4%</i>	<i>8.3%</i>	<i>0.0%</i>	<i>100.0%</i>				
	<b>Estimated Total</b>	<b>\$ 750,000,000</b>	<b>\$ 600,000,000</b>		<b>\$ 290,000,000</b>	<b>\$ 200,000,000</b>	<b>\$ -</b>	<b>\$ 1,840,000,000</b>				
	<i>Percent to Date</i>	<i>10.1%</i>	<i>34.5%</i>		<i>12.5%</i>	<i>14.5%</i>	<i>0.0%</i>	<i>18.9%</i>				

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Notes:

- [1] Jones Lang LaSalle, Site Observation Letter Report 1 (September 21, 2017). Note the initial outlay reflects \$77.8M for the acquisition of the stadium site.
- [2] Calculation, total amount of contingency divided by the amount equal to the total project budget less the amount of the project completed to date.
- [3] Calculation, total amount completed to date divided the total project budget. Note that this calculation differs slightly from the completion percentage reported by Jones Lang LaSalle.
- [4] Jones Lang LaSalle, Site Observation Letter Report 2 (October 30, 2017).
- [5] Jones Lang LaSalle, Site Observation Letter Report 3 (November 20, 2017).
- [6] Jones Lang LaSalle, Site Observation Letter Report 4 (December 21, 2017). JLL notes, "The Budget is a moving target, and will be undergoing revisions until Loan closing is established, and at that time, the project Budget cost will be finalized." JLL also notes that they are unable to offer an opinion on the adequacy of remaining funds to complete the project, as the final Budget and GMP have not yet been established.
- [7] Jones Lang LaSalle, Site Observation Letter Report 5 (January 17, 2018). JLL notes, "The Budget is a moving target, and will be undergoing revisions until Loan closing is established, and at that time, the project Budget cost will be finalized."
- [8] Jones Lang LaSalle, Site Observation Letter Report 6 (February 21, 2018). JLL notes, "The Budget is a moving target, and will be undergoing revisions until Loan closing is established, and at that time, the project Budget cost will be finalized." JLL also notes that the preliminary budget had a project contingency of \$135.8M and that reallocations have reduced the contingency by \$10.9M (\$265,213 this period) to \$125M. JLL did not have sufficient information at the time this report was issued to ascertain the sufficiency of the contingency.
- [9] Stadium Authority Board Approved Project Budget (March 28, 2018).
- [10] Jones Lang LaSalle, Site Observation Report 7 (March 20, 2018; Revised April 13, 2018). JLL notes both a project contingency of \$9.1M as well as the Design Build Agreement contingency of \$97.0M within the GMP cost itemization. JLL further notes, "According to the preliminary Budget provided, the Budget originally established a \$135,827,170 Project Contingency. Reallocations have reduced the Contingency by \$126,690,300 to the current \$9,136,870, representing 0.5% of the remaining funds, which is below the industry standard of 5 to 10%. Upon completion of our project review, we will be able to ascertain the sufficiency of the project Contingency."
- [11] Stadium Authority Board Funding Designation for Funding Notice No. 1 (April 9, 2018).
- [12] StadCo Funding Designation for Funding Notice No. 1 (April 10, 2018; Revised April 13, 2018).
- [13] Jones Lang LaSalle, Site Observation Report 8 (April 24, 2018). JLL notes both a project contingency of \$9.1M as well as the Design Build Agreement contingency of \$97.0M within the GMP cost itemization. JLL further notes, "According to the preliminary Budget provided, the Budget originally established a \$135,827,170 Project Contingency. Reallocations have reduced the Contingency by \$126,690,300 to the current \$9,136,870, representing 0.5% of the remaining funds, which is below the industry standard of 5 to 10%. Upon completion of our project review, we will be able to ascertain the sufficiency of the project Contingency."
- [14] Jones Lang LaSalle, Site Observation Report 8 (April 24, 2018). JLL notes, "Although no Pending Change Orders were reported at this time, it was brought to our attention that a 5-circuit duct bank carrying electrical conduits serving the airport and some hotels (extending along Polaris Ave.) will interfere with construction of the street crossing section of the box culvert, and duct bank will need to be temporarily relocated and replaced. The cost for this work is estimated at \$4-million."
- [15] Stadium Authority Board Funding Designation for Funding Notice No. 1 (April 26, 2018).
- [16] StadCo Funding Designation for Funding Notice No. 2 (April 17, 2018).
- [17] Stadium Authority Board Approved Project Budget (May 23, 2018).
- [18] Jones Lang LaSalle, Site Observation Report 9 (May 22, 2018). JLL notes, "There is an estimated balance to complete of \$1,593,438,624, which includes project Contingencies as follows: GMP Contingency of \$97,064,248; Systems & Equipment Contingency of \$5,851,502; and a Project Contingency of \$9,136,870." Note also JLL states, "The Design Build Agreement established a \$97,015,583 Contingency within the GMP cost itemization. This period the Contingency increased by \$48,666 to the current Contingency value of \$97,064,248."
- [19] Jones Lang LaSalle, Site Observation Report 9 (May 22, 2018). JLL notes, "Additionally a budget line item transfer due to the inclusion of Change Order 1 in the amount of \$1,625,940 was not addressed in the current Budget. Monies to cover this Change Order were to be transferred from the Public Infrastructure line item to the GMP." JLL further notes, "Based on our cursory review, the scope of work and dollar amounts appears reasonable. The scope changes do not substantially change the quality of the project. No time extensions are shown on the Change Order." Finally, JLL notes, "The Design Builder reported one pending Change Order totaling \$8,219,041 for "Off Site Plans issued for Construction." Monies for this Change Order would be made available from funds within the Public Infrastructure line item, which currently stands at \$29.4-Million." Staff discussed this line item with JLL. JLL indicated that the transfer was simply to bring the cost under the GMP, which was increased by a similar amount. JLL indicated that they would be reviewing this information more closely in June to ensure there was no reduction to other project elements. GCDP, the Authority's Construction Representative, was also asked to review and monitor this issue.
- [20] Jones Lang LaSalle, Site Observation Report 9 (May 22, 2018).
- [21] Stadium Authority Board Funding Designation for Funding Notice No. 3 (May 24, 2018).
- [22] StadCo Funding Designation for Funding Notice No. 3 (May 24, 2018).
- [23] Jones Lang LaSalle, Site Observation Report 10 (June 27, 2018). JLL notes, "There is an estimated balance to complete of \$1,554,659,912, which includes project Contingencies as follows: GMP Contingency of \$97,064,248; Systems & Equipment Contingency of \$5,851,502; and a Project Contingency of \$9,136,870."
- [24] Jones Lang LaSalle, Site Observation Report 10 (June 27, 2018).
- [25] Stadium Authority Board Funding Designation for Funding Notice No. 4 (June 29, 2018).
- [26] StadCo Funding Designation for Funding Notice No. 4 (June 19, 2018).

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Notes (cont.):

- [27] Jones Lang LaSalle, Site Observation Report 11 (Revised, July 30, 2018). Note that JLL reports the elements of the contingency in two separate places in Site Observation Report 11. See page 6 where the Systems & Equipment Contingency of \$5,851,502 and a current Project Contingency of \$9,136,870 are reported and page 19 where the contractors contingency is reported at \$97,068,085. JLL also notes, "The Project Contingency balance currently totals \$9,136,870. Although it was originally reported that the Development team felt confident that the Design Build GMP was adequate to provide for the programmed scope of the stadium, Items such as Owner enhancements, tariffs and allowance adjustments could potentially increase construction costs by an additional \$25.4MM. We have requested that the owner's Representative provide us with a detailed assessment of the potential changes. However, because the potential cost increases of \$25.4MM, we are unable at this time to report that the project Contingency of \$9.1MM is sufficient to absorb pending Change Orders. Should Change Orders become approved and integrated into the project, it may be necessary for the Ownership to contribute additional Equity to cover Change Orders. The Contingency must be carefully monitored.
- [28] Jones Lang LaSalle, Site Observation Report 11 (Revised, July 30, 2018). JLL notes, "The Design Builder reported in its June 2018 monthly report that there are pending Change Orders totaling \$33,098,700. In addition, the Design Builder has indicated that \$1,500,000 should be added to these costs to address potential foreign tariff increases. The potential Change Order costs would be increased to approximately \$34.6MM." JLL also noted, "The Off-Site Infrastructure costs would be allocated from the off-site infrastructure budget, currently valued at \$29.4-Million. The PCO Log also references \$5.2-Million in costs attributable to tariffs of foreign purchased construction materials; \$3.2-Million of Owner driven enhancements; and \$14.9-Million of Allowance Adjustments. There is a potential for Value Engineering the above noted items." See also, note 27 (JLL notes, "Should Change Orders become approved and integrated into the project, it may be necessary for the Ownership to contribute additional Equity to cover Change Orders."
- [29] Jones Lang LaSalle, Site Observation Report 11 (Revised, July 30, 2018).
- [30] Stadium Authority Board Funding Designation for Funding Notice No. 5 (July 30, 2018).
- [31] StadCo Funding Designation for Funding Notice No. 5 (July 20, 2018).
- [32] Jones Lang LaSalle, Site Observation Report 12 (August 23, 2018). JLL reports, "There is an estimated balance to complete of \$1,492,407,094, which includes (as reported by Owner's Representative) project Contingencies as follows: an assumed Systems & Equipment Contingency of \$5,851,502; a current Project Contingency of \$9,136,870, and a current GMP Contingency of \$96,649,268." JLL notes later in the report, "The Project Contingency balance currently totals \$9,136,870. Although it was originally reported that the Development team felt confident that the Design Build GMP was adequate to provide for the programmed scope of the stadium, items such as Owner enhancements, tariffs and allowance adjustments could potentially increase construction costs by an additional \$11,460,762. Should the costs for this work be approved, a combination of sources such as the remaining \$9,136,870 Owner Contingency, and/or potential GMP Contingency (currently \$96,649,268) savings, and/or Owner Equity, would be utilized."
- [33] Jones Lang LaSalle, Site Observation Report 12 (August 23, 2018). JLL notes, "Although at present time, the Budget is in balance, and the remaining funds are sufficient to complete the current scope of work, there are pending Change Orders totaling \$11,460,762, which if approved and accepted, would exceed the Owner Contingency and cause the Budget to be out of balance. This potential overage would be covered by a combination of sources such as the Developer Contingency, savings within the GMP Contingency, or Owner Equity. The Contingency should be carefully monitored to ensure a balanced Budget."
- [34] Jones Lang LaSalle, Site Observation Report 12 (August 23, 2018).
- [35] Stadium Authority Board Funding Designation for Funding Notice No. 6 (August 25, 2018).
- [36] StadCo Funding Designation for Funding Notice No. 6 (August 21, 2018).