

MEMORANDUM OF UNDERSTANDING RE
SHADOW LANE CAMPUS

This Memorandum of Understanding is made and entered into as of the ____ day of _____, 2008 by and among University of Nevada Las Vegas, University of Nevada Reno, Nevada State College and the University of Nevada Health Sciences System and is intended to set forth the understandings of the parties regarding costs and management of the University of Nevada Shadow Lane Campus of the Health Sciences System.

1. **Recitals.**

- a. The Board of Regents, on behalf of the Health Sciences System, acquired the real property commonly known as the Shadow Lane Campus for use by UNLV School of Nursing, UNLV School of Dental Medicine, NSC School of Nursing and UNR School of Medicine (the “Schools”).
- b. The Shadow Lane Campus was acquired using funds of UNLV and, at the time of acquisition, was comprised of ____ acres of land and 3 buildings. Building A is utilized solely by UNLV, Building C is utilized for general campus purposes and contains no academic facilities and Building B, upon letting of a contract will be renovated for use by UNLV, UNR and NSC. UNLV has commenced construction of Building D to be utilized solely by the School of Dental Medicine.
- c. The acquisition of the Shadow Lane Campus and the performance of constructing upgrading, infrastructure, utilities, parking and upgrading Building B was funded with proceeds of 2 bond issues, described as 1001A/2006F and 2004 (the “Acquisition Debt”). Repayment of the bond issues are presently being funded by UNLV annually in the amount of \$1,689,000 (the “Acquisition Debt Service”).

2. **Agreements Regarding Debt Service.**

- a. The parties agree that the Acquisition Debt Service shall be allocated among the Schools at a per square foot ‘cost’ of \$9.25 per square foot per year. Currently, neither NSC nor UNR occupy any of the buildings on the Campus and UNLV is therefore responsible for and shall continue to pay the entire Acquisition Debt Service until NSC and UNR shall become responsible for their portion as hereinafter provided.
- b. At such time as a contract is let for the construction of planned improvements within Building B, NSC and UNR shall become responsible for their share of the Acquisition Debt Service allocable to Building B

determined by multiplying \$9.25 per square foot times their share of the square footage of Building B.

- c. Additionally, at such time as a contract is let for the construction of the planned ACTC building, UNR and NSC will become responsible for their portion of the Acquisition Debt Service allocable to ACTC determined by multiplying the \$9.25 per square foot times their share of the square footage of ACTC.
- d. In both such cases, the debt service will be prorated for the portion of the year remaining as of the date of the respective contract. The share of the square footage of the Buildings shall be determined as provided below.

3. **Desert Lane/Hasting Street Property.** The parties acknowledge that the foregoing allocations of the Acquisition Debt Service do not address the cost of the recent acquisition by the System of the property at 930 Desert Lane and the forthcoming acquisition of Hasting Street. The Parties agree to negotiate to reach a consensus as to the share and timing of reimbursement to UNLV which fronted the entire cost of such acquisition. [One possible method would be to treat the total cost as an increase in the bonded indebtedness and to infer a debt service factor thereon, which would be added to the annual debt service to be allocated pursuant to the foregoing. This should be discussed at the next meeting].

4. **Management and Operating Costs.** UNLV has been and shall continue to be responsible for conducting the day to day operation and management of the Shadow Lane Campus infrastructure for the System, until such time as the System shall determine that other arrangements for operation and management are appropriate. The total costs associated with such management, operations, repair, etc., of all the buildings and the associated common areas, parking, security and infrastructure ("Total Operating Costs") will be allocated among each of the 3 existing academic buildings, i.e. Building A, Building B and Building D, and upon the availability of ACTC for occupancy, among the 4 buildings including ACTC, based on each building's respective Campus Building Percentage as defined below (the "Allocated Operating Costs"). The portion of Total Operating Costs allocated to each building will then be sub-allocated to each school based on the Applicable Building Percentages (as defined below). The Campus Building Percentage of a building at any point in time is a fraction, the numerator of which is the square footage of the building and the denominator is the square footage of all academic buildings available for occupancy at that point in time.

5. **Allocation of Operating Costs.** Consistent with the allocation of the Acquisition Debt service, Total Operating Costs will currently be allocated 100% to UNLV as it is currently the sole occupant of the Campus. However Total Operating Costs shall be allocated to NSC and UNR with respect to Building B at such time as Building B is available for occupancy, i.e. the Campus Building Percentages will be recomputed by including the square footage of Building B in the denominator. At the point in time when ACTC is available for occupancy, the Campus Building Percentages will again be

recomputed adding the square footage of ACTC into the denominator. The Allocated Operating Costs for each Building will be sub-allocated to each of the schools based on the Applicable Building Percentages for the respective Building.

6. **Applicable Building Percentages.** The Applicable Building Percentages and the applicable square footage for each School applicable to Building B and ACTC shall be determined by a committee to be appointed by the System which committee shall include one or more members of the planning staff that have been involved in the design of Building B and ACTC. The committee shall review the net usable area to be utilized by each of the schools on an exclusive basis and shall use such net usable areas to determine the ratios of net usable areas for each School within each Building and shall base its determination on such ratios and on other information deemed relevant. If the Percentages and square footages so determined are not acceptable to one or more of the Schools, representatives of the Schools will meet with System staff with a view to reaching a determination that is agreeable to all Parties. Failing such agreement, the Percentages and square footages shall be determined by System staff. As finally determined, the Applicable Percentages and square footages shall be incorporated into an Addendum and made a part of this MOU

7. **System Budget.** Initially, UNLV will prepare all the budget submissions to the state for the O&M activities related to the entire campus, and will submit the same to the System Budget office, who will use such data and the above allocation procedures (as finally determined) to alert each school of the "recharge" amount to be included in their state operating budget.

8. **Management Committee.** The parties shall form a committee to oversee Shadow Lane operations, resolve issues and make overall infrastructure decisions outside of the normal day to day operations. Such a committee shall consist of representatives from each of the 3 schools as well as appropriate System participation. The specifics duties and responsibilities and duties of the committee and the relative voting of the System and each of the schools shall be determined by further agreement of the parties.

9. **Further Agreements.** The parties acknowledge that no agreement has been reached on the following issues which shall be the subject of further discussions:

- a. Appropriate notice by a school choosing to reduce its utilization of the Shadow Lane Campus and any ongoing responsibility while space remains vacant;
- b. Method for determining how to allocate new or vacated space on the Campus; and
- c. Procedure for transfer of funds in conformity with this MOU.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date set forth above.

UNIVERSITY OF NEVADA, LAS VEGAS

Name: _____

Title: _____

UNIVERSITY OF NEVADA, RENO

Name: _____

Title: _____

NEVADA STATE COLLEGE

Name: _____

Title: _____

UNIVERSITY OF NEVADA HEALTH SCIENCES SYSTEM

Name: _____

Title: _____