

September 25-26, 2003

ITEM 120-2016-R0903

**Authorization to Execute a Long-Term Lease for Relocation of the Great Falls Campus of the MSU-Bozeman College of Nursing; Montana State University-Bozeman**

**THAT:**

Montana State University be authorized to execute a **five or ten year lease** with Benefis Health Care, to locate the Great Falls Clinical Campus of the MSU-Bozeman College of Nursing in 4,800+ square feet at \$12 per square foot at the North Central Montana Professional Building located at 400 15<sup>th</sup> Avenue South in Great Falls, beginning January 1, 2004. Further, that MSU be authorized to modify the lease to include up to 1600 additional square feet of additional space adjacent to the space in the current lease, should that space become necessary and available.

**EXPLANATION:**

The difference between the five and ten year leases would be an additional \$5 per square foot in re-modeling allowance with the ten year lease. This higher offer is pending.

In 1999, in Great Falls, the MSU-Bozeman programs from MSU Northern, to join the College of Technology and the Fire Services Training School in order to place all MSU educational programs under one roof. Because of the dramatic growth of enrollments at the MSU-Great Falls College of Technology (1140 - 1360) and MSU Northern (63 - 160) and the modest enrollment increase in Great Falls of the MSU Bozeman nursing program (50 - 58), between 1999 and 2003, it was determined that, even in a one to three year horizon, it would no longer be possible to accommodate all MSU partners with the anticipated continuing enrollment increases and the current space constraints. It was also determined that, because the College of Nursing and the Fire Services Training School are distinct programs, they could separate from the other programs with a minimum of disruption.

In the winter of 2003, **College of Nursing** administration, faculty and staff began to survey the Great Falls area for appropriate space to accommodate the undergraduate and graduate nursing programs. Based on the College's assessment that (1) Benefis Healthcare will grant up to \$5 per square foot for remodeling of the existing space; (2) the space is within close proximity to the West Campus of Benefis Health Care, a clinical site for students, (3) the



BRANCH	B/A	PRODUCER NUMBER	CLIENT NUMBER	DATE OF ISSUE	PRIOR CERTIFICATE NUMBER
23	A	0001614 - 240	462996	09/16/03	AHC-0991382

**SPECIFIED MEDICAL PROFESSIONAL LIABILITY  
OCCURRENCE INSURANCE POLICY**

**RECEIVED**

**ITEM 120-2016-R0903 ATTACHMENT B**

Offered Through Allied Health Purchasing Group Association  
Purchasing Group Policy Number: 44-2010129

SEP 26 2003

MONTANA STATE UNIVERSITY  
COLLEGE OF NURSING

Item	DECLARATIONS	CERTIFICATE NUMBER	<b>AHC- 0991382</b>
1.	<b>Named Insured</b> THE STUDENTS OF MONTANA STATE UNIVERSITY		
2.	<b>MAILING ADDRESS</b>	COLLEGE OF NURSING P O BOX 173560 BOZEMAN, MT 59717-3560	
3.	Policy Period	12:01 A.M. Standard Time At	From: 08/15/2003 To: 08/15/2004
		Location Of Designated Premises	
4.	The insurance afforded is only with respect to such of the following types of insurance as indicated by specific premium charge or charges:		
	<b>COVERAGE</b>		<b>PREMIUM</b>
	A. Professional Liability [x]		\$5,578.00
	B. General Liability [ ]		NO OPTION
	C. Endorsements [ ]		
		<b>Total:</b>	<u>\$5,578.00</u>
5.	<b>LIMITS OF LIABILITY</b>		
	\$ 1,000,000	each Incident or Occurrence	\$ 3,000,000 in the Aggregate
6.	Deductible (if applicable):		
7.	The Named Insured Is: <input type="checkbox"/> Sole Proprietor (including Individual) <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/>		
	<input type="checkbox"/> Other: Affiliation: <b>STUDENT MALPRACTICE BLANKET LIABILITY</b>		
8.	Business or Occupation of the Named Insured: <b>STUDENT</b>		
9.	This policy is made and accepted subject to the printed conditions of this policy together with the provisions, stipulations and agreements contained in the following form(s) or endorsement(s): <b>PLE-2081, PLJ-2025(01/95), PON-2003, PLE-2156(05/01)</b>		
	<b>CHICAGO INSURANCE COMPANY</b> 55 E. MONROE STREET, CHICAGO, ILLINOIS 60603		
	REPRESENTATIVE: MARSH Affinity Group Services a service of SEABURY & SMITH 1440 RENAISSANCE DRIVE PARK RIDGE, IL 60068 1-800-621-3008		

**ITEM 120-2016-R0903 Revised Lease Agreement**

**TENANT'S SPACE LEASE AGREEMENT**

This Lease is made and entered into this \_\_\_ day of \_\_\_, 2003, between Benefis Healthcare ("Landlord") and Montana State University, College of Nursing ("Tenant"), who agree as follows:

**1. GRANT OF LEASE**

1.1. Grant of Lease. Landlord hereby demises and leases to Tenant, and Tenant hereby leases and accepts from Landlord, those certain Premises consisting of office space located in an office building commonly known as the North Central Montana Professional Office Building located at 400 15<sup>th</sup> Avenue South, Great Falls, MT 59405. The Premises consist of \_\_\_ square feet located in Suite \_\_\_ of the Building, more particularly described in Exhibit A attached hereto. The Building, together with the Land is hereinafter referred to as the "Project."

1.2. Quiet Enjoyment. Landlord shall warrant and defend Tenant in the quiet enjoyment and possession of the Premises during the Term, subject to the terms and conditions of this Lease.

1.3. Covenants of Landlord and Tenant. Landlord covenants to observe and perform all of the terms and conditions to be observed and performed by Landlord under this Lease. Tenant covenants to pay the Rent when due under this Lease, and to observe and perform all of the terms and conditions to be observed and performed by Tenant under this Lease.

**2. TERMS AND POSSESSION**

2.1. Term. The term of this Lease (the "Term") shall begin upon possession and shall continue for sixty (60) consecutive months unless terminated earlier as provided herein. This Lease shall then automatically renew for one (1) year periods unless either party gives the other ninety (90) days written notice prior to the end of the term that this Lease will not renew.

2.2. Rent Payments. Rent payments will begin on \_\_\_\_\_, 2003, and shall continue throughout the remainder of the lease (60 months).

**3. RENT**

3.1. Rent. Tenant shall pay to Landlord as Rent for the Premises the sums listed in the following Lease Payment Table, payable in advance in monthly installments.

LEASE PAYMENT TABLE				
Initial Cost	\$12.00	X	sq.ft. =	\$
				\$
				Annual Cost
				<b>Total Monthly Rent Payment</b>

demand for payment of money) by Landlord to Tenant, shall reinstate, continue, or extend the terms of this Lease, or affect any notice given to Tenant prior to the payment of such money. Landlord shall have the right to receive and collect any sum or rent or other sums due under the terms of this Lease without waiving, changing, or affecting in any manner the effect of a notice previously given, any pending suit or judgment previously entered.

## 6. CONDITIONS OF PREMISES

6.1. Conditions of Premises. Tenant shall notify Landlord in writing within thirty (30) days after Tenant takes possession of the Premises of any defects in the Premises claimed by Tenant. Except for defects stated in such notice, and latent defects discovered within one (1) year after Tenant takes possession, Tenant shall be conclusively presumed to have accepted the Premises in the condition existing on the date when Tenant takes possession, and to have waived all claims relating to the condition of the Premises. Except to the extent that Landlord is responsible therefore under this Lease, Tenant shall maintain the Premises and all improvements therein in good order and condition.

## 7. USE OF PREMISES

7.1. Use. The premises shall be used and occupied by Tenant for uses related to the clinical training of student nurses. The laboratory and x-ray facilities of Benefis Healthcare will be available to Tenant, so no commercial laboratory services and/or radiology services may be offered by Tenant; however, this does not prevent Tenant from providing laboratory and/or radiology services on the Premises for Tenant's own patients if Tenant should choose to do so. Tenant shall not provide any of these services or any other diagnostic service offered by Landlord, on referral from another provider for diagnostic purposes, without the written consent of Landlord.

7.2. Compliance with Laws. Tenant shall use and occupy the Premises in a safe, careful, and proper manner so as not to contravene any present or future governmental or quasi-governmental laws in force or regulations or orders.

7.3. Normal Business Hours. Tenant shall maintain hours appropriate for the education of nurses at Tenants Premises, and the Tenant may maintain additional hours after obtaining the approval of the Landlord, which approval shall not be unreasonably withheld. Landlord shall have the sole authority to close/lock the Project after normal business hours subject to admission by Tenant under the applicable Rules and Regulations provided for in Section 16 hereunder.

## 8. SERVICES, MAINTENANCE, REPAIR AND ALTERATIONS BY LANDLORD

8.1. Operation of Project. During the Term, Landlord shall operate and maintain the Project in accordance with all applicable laws and regulations and with standards from time to time prevailing for first-class professional office buildings in the area in which the Project is

8.6. Alterations by Landlord. Landlord may from time to time:

- a. Make repairs, replacements, changes, or additions to the structure, systems, facilities, and equipment in the Premises where necessary to serve the Premises or other parts of the Project, and
- b. Make modifications in or additions to any part of the Project not in or forming part of the Premises, and
- c. Change or alter the location of common areas of the Project, providing that in doing so Landlord shall not disturb or interfere with Tenant's use of the Premises and operation of its business any more than absolutely necessary in the circumstances and shall promptly repair at Landlord's expense any and all damage to the Premises caused thereby.

8.7. Access by Landlord. Tenant shall permit Landlord to enter the Premises outside normal business hours, and during normal business hours where such will not unreasonably disturb or interfere with Tenant's use and occupation of the Premises to provide services or make repairs, replacements, changes, or alterations as set out in this Lease, and to take such steps as Landlord may deem necessary for the safety, improvement, or preservation of the Premises or the Building. Landlord shall, whenever possible, consult with and give reasonable notice to Tenant prior to such entry.

8.8. Signs and Directory. Landlord has an existing directory located upon the property. Tenant shall pay any costs associated with changing the directory to include Tenant's listing, but Tenant shall not be financially responsible for Tenant's initial listing. All signage through the Premises will be coordinated by the Landlord. Landlord will retain absolute discretion regarding signage. Any signage other than the aforementioned directory requested by Tenant and allowed by Landlord shall be at Tenant's expense.

**9. MAINTENANCE, REPAIR, ALTERATIONS, AND IMPROVEMENTS BY TENANTS**

9.1. Alterations by Tenant. The parties have agreed that Landlord will remodel the premises prior to occupancy in accordance with plans and drawings attached as Exhibit A, not exceed \$5.00 per square foot. If Tenant desires to make certain alterations or improvements to the Premises after occupancy, Tenant agrees that all improvements shall be approved by Landlord, which approval shall not be unreasonably withheld. Tenant's improvements shall be paid for by Tenant and shall meet any and all applicable governmental and/or quasi-governmental authority having jurisdiction. Tenant agrees to use a builder suitable to Landlord to make such modifications or improvements. Tenant shall cause the prompt repair of any damage to any portion of the Property which results from the construction of Tenant's improvements.

9.2. Mechanics Liens. Tenant shall not permit mechanics', materialmen's or other liens against the Project in connection with any labor, materials, equipment or services furnished or claimed to have been furnished. Tenant agrees to indemnify and hold Landlord harmless from

governmental authority having jurisdiction and which is payable in respect of the Term upon or on account of the Project, including any improvements, fixtures, and equipment and all other property of Landlord, real or personal, located in the Project and used in connection with the operation of the Project.

11.2. Tenant's Taxes. Tenant shall pay before delinquency every tax, assessment, license fee, and excise and other charge, however described, which is imposed, levied, assessed, or charged by any governmental or quasi-governmental authority having jurisdiction and which is payable in respect of the Term upon or on account of:

a. Operations at, occupancy of, or conduct of business in or from the Premises by or with the permission of Tenant, and

b. Fixtures, equipment, improvements or personal property in the Premises which belong to Tenant.

11.3. Right to Contest. Landlord and Tenant shall each have the right to contest in good faith the validity or amount of any tax, assessment, license fee, excise fee, and other charge which it is responsible to pay under this Article 11, provided that no contest by Landlord may involve the possibility of forfeiture, sale, or disturbance of Tenant's interest in the Premises and that, upon the final determination of any contest by Landlord involving Tenant's interests, Landlord shall immediately pay and satisfy the amount found to be due, together with any costs, penalties, and interest.

## 12. INSURANCE

12.1. Landlord's Insurance. During the Term, Landlord shall maintain liability insurance, fire insurance with extended coverage, boiler and pressure vessel insurance, and other insurance on the Project with coverage and in amounts not less than those which are from time to time acceptable to a prudent owner in the Great Falls metropolitan area.

12.2. Tenant's Insurance. During the Term, Tenant shall maintain, at its own expense, student malpractice insurance and the students shall carry health insurance. Limits of liability for the student malpractice insurance are as reflected in the Declarations page, attached hereto as Exhibit B. The parties hereto understand and agree that the State of Montana, MSU, its officials and employees are self-insured under the provisions of Title 2, Chapter 9 of the Montana Code Annotated. Tenant shall maintain insurance required for state agencies as provided in Title 2, Chapter 9 of the Montana Code Annotated. The statutory limits of liability are \$750,000 for each claim and \$1.5 million for each occurrence. A certificate of insurance will be provided upon Landlord's request.

## 13. INJURY TO PERSON OR PROPERTY

13.1. Indemnity by Tenant. To the extent allowed by law, Tenant shall indemnify and hold harmless Landlord from and against every demand, claim, cause of action, judgment and

Landlord.

15.3. Merger. The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Tenant and Landlord shall not work a merger, and shall not terminate all or any subleases and sub tenancies or operate as an assignment to Landlord of all or any subleases or sub tenancies.

15.4. Payments After Termination. Full payment by Tenant of monies due and owing from Tenant to Landlord after the expiration or other termination of the Term or after the giving of notice by Landlord to Tenant, shall not reinstate and continue the Term and shall not make ineffective any notice given to Tenant prior to the payment of such money.

**16. RULES AND REGULATIONS**

16.1. Purpose. The Rules and Regulations in Exhibit C attached hereto have been adopted by Landlord for the safety, benefit and convenience of all tenants and other persons in the Project. The Landlord reserves the right to adopt additional rules and regulations in its sole discretion. Tenant agrees to comply with all rules and regulations adopted by Landlord. If Landlord adopts a rule that substantially interferes with Tenant's ability to use the premises, Tenant may cancel this Lease without penalty.

16.2. Observance. Tenant shall at all times comply with, and shall cause its employees, agents, licensees and invitees to comply with, the Rules and Regulations from time to time in effect.

16.3. Modification. Landlord may from time to time, for the purposes set out in Section 16.1, amend, delete from, or add to the Rules and Regulations, provided that any such modification:

- a. Shall not be repugnant to any other provision of this Lease, and
- b. Shall be reasonable and have general application to all tenants in the Building, and
- c. Shall be effective only upon delivery of a copy thereof to Tenant at the Premises.

16.4. Non-Compliance. Landlord shall use its best efforts to secure compliance by all tenants and other persons with the Rules and Regulations from time to time in effect, but shall not be responsible to Tenant for failure of any person to comply with such Rules and Regulations.

**17. EMINENT DOMAIN**

17.1. Taking of Premises. If, during the Term, all of the Premises shall be taken for any



promptly account therefore to the other.

## 18. DAMAGE BY FIRE OR OTHER CASUALTY

18.1. Limited Damage to Premises. If all or part of the Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of an architect acceptable to Landlord and Tenant, can be substantially repaired using the insurance proceeds received under Section 12.1 under applicable laws and governmental regulations within 180 days from the date of such casualty (employing normal construction methods without overtime or other premium), Landlord shall forthwith repair such damage. Landlord in its sole discretion may agree to contribute additional funds for this repair.

18.2. Major Damage to Premises. If all or part of the Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of an architect acceptable to Landlord and Tenant, cannot be substantially repaired using the insurance proceeds received under Section 12.1 and any amounts contributed by Landlord under applicable laws and governmental regulations within 180 days from the date of such casualty (employing normal construction methods without overtime or other premium), then Tenant may elect to terminate this Lease as of the date of such casualty by written notice delivered to the other not more than ten (10) days after receipt of such architect's opinion, failing which, Landlord shall forthwith at its own expense repair such damage other than damage to improvements, furniture, chattels or trade fixtures which do not belong to Landlord.

18.3. Abatement. If Landlord is required to repair damage to all or part of the Premises under Section 18.1 or 18.2, the Rent payable by Tenant hereunder shall be proportionately reduced to the extent that the Premises are thereby rendered unusable by Tenant in its business, from the date of such casualty until five (5) days after completion by Landlord of the repairs to the Premises (or the part thereof rendered untenable) in its business, whichever first occurs.

18.4. Major Damage to Project. If all or a substantial part (whether or not including the Premises) of the Project is rendered untenable by damage from fire or other casualty to such a material extent that, in the reasonable opinion of an architect or engineer chosen by Landlord and Tenant, the Project must be totally or partially demolished, whether or not to be reconstructed in whole or in part, Tenant may elect to terminate this Lease as of the date of such casualty (or on the date of notice if the Premises are unaffected by such casualty) by written notice delivered to Landlord not more than sixty (60) days after the date of such casualty.

## 19. TRANSFERS BY LANDLORD

19.1. Sales, Conveyance, and Assignment. Nothing in this Lease shall restrict the right of Landlord to sell, convey, or otherwise deal with the Project or any part thereof, subject only to all rights of Tenant under this Lease.

19.2. Effect of Sale, Conveyance, or Assignment. A sale, conveyance, or assignment of the Project shall release Landlord from liability from and after the effective date thereof, upon all

b. Subject to any offsets or defenses which Tenant might have against Landlord, or

c. Bound by any prepayment by Tenant of more than one month's installment of Rent plus interest as provided hereinabove in Section 3.2, page 2, or by any modification of this Lease unless in existence at the time of any attornment.

19.7. Execution of Instruments. The subordination and attornment provisions of this Article 19 shall be self-operating and no further instrument shall be required. Nevertheless, Tenant, on request by and at Landlord's cost, shall execute and deliver any and all instruments further evidencing such subordination and (where applicable hereunder) attornment.

19.8. Attorney in Fact. Tenant agrees to and does hereby appoint Landlord as its attorney-in-fact to execute or obtain execution of such instruments as may be necessary to effectuate said subordination, sale, foreclosure, and attornment.

## 20. NOTICES, ACKNOWLEDGMENTS, AUTHORITIES FOR ACTION

20.1. Notices. Any notice from one party to the other hereunder shall be in writing and shall be deemed duly served if delivered personally to a responsible employee of the party being served, or if mailed by registered or certified mail addressed to Tenant at the Premises (whether or not Tenant has departed from, vacated, or abandoned the same) or to Landlord at the place from time to time established for the payment of Rent. Any notice shall be deemed to have been given at the time of personal delivery or, if mailed, three days after the date of mailing thereof. Either party shall have the right to designate by notice, in the manner above set forth, a different address to which notices are to be mailed.

20.2. Acknowledgments. Tenant shall at any time and from time to time, upon not less than ten (10) days prior notice from Landlord, execute, acknowledge, and deliver a written statement certifying that:

a. This Lease is in full force and effect, subject only to such modifications (if any) as may be set out therein, and

b. Tenant is in possession of the Premises and paying Rent as provided in this Lease, and

c. The dates (if any) to which Rent is paid in advance, and

d. That there are not, to Tenant's knowledge, any uncured defaults on the part of any other party hereunder, or specifying such defaults if any are claimed.

Any such statement may be relied upon by any prospective transferee or encumbrance of all or

the Lease Premises shall cease, and this Lease shall thereupon be terminated; or

(2) Without further notice, to reenter and take possession of the Premises, or any part thereof, and repossess the same as Landlord's former estate, and expel Tenant and those claiming through or under Tenant, and remove the effects of either or both (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or preceding breach of covenants. Should Landlord elect to reenter as provided in this Section (2), or should Landlord take possession pursuant to legal proceedings or any notice provided for by law, Landlord may, from time to time, without terminating this Lease, relet the Premises, or any part thereof, on behalf of Tenant for such term or terms, and at such rent or rents, and upon such other terms and conditions as Landlord may deem advisable (which may include concessions and free rent) with the right to make alterations and repairs to the Premises. No such reentry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease, unless a written notice of termination is given to Tenant.

21.2. Repossession. In the event Landlord does not elect to terminate this Lease, but on the contrary, elects to take possession, then such repossession shall not relieve Tenant of its obligations and liability under this Lease, all of which shall survive such repossession. In the event of such repossession, Tenant shall pay to Landlord as rent:

a. The rent and other sums as hereinbefore provided, which would be payable hereunder if such repossession had not occurred; less

b. The net proceeds, if any, of any reletting, or the value of Landlord's use, if any, of the Premises after deducting all of Landlord's expenses in connection with such reletting, including, but without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, expenses of employees, necessary alteration costs, and expenses of preparation for such reletting.

21.3. Rent Due. Tenant shall pay such rent to Landlord on the days on which the rent would have been payable hereunder if possession had not been retaken, and Landlord shall be entitled to receive the same from Tenant on each such day. If Landlord shall be required to commence any action or proceeding to collect the foregoing amounts, or to enforce any other obligation of Tenant under this Lease, Landlord shall be entitled to a reimbursement of all costs and expenses incurred in said matter, including reasonable attorney's fees.

21.4. Termination by Default. If, however, this Lease is terminated by Landlord, by reason of any default by Tenant, or terminated by a court of lawful jurisdiction, Landlord shall be entitled to recover as damages from Tenant the excess, if any, of the minimum rent reserved in

## 24. MISCELLANEOUS

24.1. Consent Not Unreasonably Withheld. Except as otherwise specifically provided, whenever consent or approval of Landlord or Tenant is required under the terms of this Lease, such consent or approval shall not be unreasonably withheld or delayed. If Landlord unreasonably withholds or delays consent or approval, Tenant shall be entitled to an action for specific performance damages. If either party withholds any consent or approval, such party shall, on written request, deliver to the other party a written statement giving the reason therefore.

24.2. Name of Building. Landlord shall have the sole discretion to name the building, and change said name upon thirty (30) days written notice.

24.3. Applicable Law and Construction. This Lease shall be governed by and construed under the laws of Montana, with venue in the Eighth Judicial District, Great Falls, Cascade County, Montana, and its provisions shall be construed as a whole according to their common meaning and not strictly for or against Landlord or Tenant. The words Landlord and Tenant shall include the plural as well as the singular, and if Tenant consists of more than one person, the obligation of all such persons shall be joint and several. Time is of the essence of this Lease and each of its provisions. The captions of the Articles are included for convenience only, and shall have no effect upon the construction or interpretation of this Lease.

24.4. Entire Agreement. This Lease, Exhibits A, B and C, and such other documents as referred to in this Lease contain the entire agreement between the parties hereto with respect to the subject matter of this Lease. Tenant acknowledges and agrees that Tenant has not relied upon any statements, representations, agreements, or warranties of Landlord except as are set out in the Lease.

24.5. Amendment or Modification. Unless otherwise specifically provided in this Lease, no amendment, modification, or supplement to this Lease shall be valid or binding unless set out in writing and executed by the parties hereto in the same manner as the execution of this Lease.

24.6. Construed Covenants and Severability. All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate Article hereof. Should any provision of this Lease be or become invalid, void, illegal, or not enforceable, it shall be considered separate and severable from the Lease, and the remaining provisions shall remain in force and be binding upon the parties hereto as though such provision had not been included.

24.7. No Implied Surrender or Waiver. No provisions of this Lease shall be deemed to have been waived by Landlord, unless the waiver is in writing signed by Landlord. Landlord's waiver of a breach of any term or condition of this Lease shall not prevent a subsequent act,

**EXHIBIT C**

**RULES AND REGULATIONS**

1. Tenant agrees to spot clean any spills on the carpet in the Premises.
2. Tenant agrees to set the security system in the Building upon leaving the Building (if applicable).
3. No pets shall be allowed in the building.
4. No smoking shall be allowed in the building.