

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

SECTION: 31
DATE: June 10, 2014

**RECOMMENDATION**

**LANDLORD TIME SHARE LEASE AGREEMENT WITH  
TRINITY HEALTH-MICHIGAN REGARDING MEDICAL SIMULATION CENTER**

**ACTION REQUESTED**

It is recommended that the Board of Regents approve the attached Landlord Time Share Lease Agreement between Trinity Health-Michigan and Eastern Michigan University dated May 1, 2014.

**STAFF SUMMARY**

Trinity Health-Michigan, through St. Joseph Mercy Hospital, and Eastern Michigan University have finalized negotiations for EMU's lease of a Medical Simulation Center at the hospital. This is a 10-year lease, running from 2014 through 2024, for use in EMU's Physician Assistant and Nursing programs. Rent for the 6,879 square foot lab is \$33 per square foot, projected to increase over the next 3 years to stabilize at about \$200,000 per year. EMU's contributions to one-time lab construction costs were approved previously and are reflected in the Capital Budget. This lease will not affect EMU's affiliations with other local hospital systems. EMU may terminate the lease if the hospital attempts to move the tenancy to a substituted space, if EMU believes the substituted space is inadequate for the Nursing and Physician Assistant programs. Each side may terminate the lease if the other side breaches the agreement and does not fix the problem within 30 days.

**FISCAL IMPLICATIONS**

See attached.

**ADMINISTRATIVE RECOMMENDATION**

The proposed Board action has been reviewed and is recommended for Board approval.

**University Executive Officer**  
**Gloria Hage**  
**General Counsel**

**Date**

<b>SUMMARY SHEET TO LANDLORD TIME SHARE LEASE AGREEMENT</b>	
<b>TENANT</b>	<b>LANDLORD</b>
Eastern Michigan University 900 Oakwood Street Ypsilanti, Michigan 48197	Trinity Health-Michigan d/b/a St. Joseph Mercy Ann Arbor 5333 McAuley Drive, Suite R-1122 Ypsilanti, Michigan 48197 Attn: Director, Trinity Health Real Estate
<b>BUILDING ADDRESS</b>	<b>USE PERIODS</b>
St. Joseph Mercy Ann Arbor 5301 E. Huron River Drive Ypsilanti, Michigan 48197	Day(s): To be determined by mutual agreement according to scheduled class days and times  Frequency: January - December
<b>PREMISES</b>	<b>TERM</b>
Education Center - EC-200 Rentable Square footage: 6,341	Commencement Date: May 1, 2014  Expiration Date: April 30, 2024
<b>RENT</b>	<b>PAYMENT TERMS</b>
Premises Rent = (See Description of Space and Rent Schedule in Exhibit A)  Leased Equipment = (See Description of Leased Equipment and Cost in Exhibit B)  Leased Services = (See Description of Leased Services and Cost in Exhibit B)  Total Rent = See Exhibit A	Total Rent is due on/before 1 <sup>st</sup> day of each calendar month.
	<b>PERMITTED USE</b>
	Medical Simulation Center
<b>TENANT'S NOTICE ADDRESS</b>	<b>LANDLORD'S NOTICE ADDRESS</b>
Eastern Michigan University 900 Oakwood Street Ypsilanti, Michigan 48197 Attn: General Counsel	Landlord's address above  <b>AND:</b> Trinity Health 20555 Victor Parkway Livonia, MI 48152 Attn: Lease Administration Manager
<b>LANDLORD'S RENT PAYMENT ADDRESS</b>	
8648 Reliable Parkway Chicago, Illinois 60686-0084	

## LANDLORD TIME SHARE LEASE AGREEMENT

This Time Share Lease Agreement (the "**Lease**") is made effective \_\_\_\_\_ (the "**Effective Date**"), by and between **TRINITY HEALTH-MICHIGAN**, a Michigan non-profit corporation d/b/a **St. Joseph Mercy Ann Arbor** ("**Landlord**"), and **THE REGENTS OF EASTERN MICHIGAN UNIVERSITY**, a Michigan constitutional body corporate ("**Tenant**").

**WHEREAS**, Tenant desires to lease certain space from Landlord, together with the lease of certain equipment and office support services as may be provided for in this Lease, if applicable.

**WHEREAS**, pursuant to a letter of understanding between Landlord and Tenant dated February 6, 2013, Tenant, at its sole cost and expense, shall pay Landlord to undertake on Tenant's behalf the renovation and any interior construction of the Premises expeditiously and in a lien free manner.

**NOW, THEREFORE**, in consideration of the premises and mutual promises set forth in this Lease, the parties agree as follows:

### ARTICLE I LEASE OF PREMISES, EQUIPMENT, SERVICES

1.1. Term of Lease. The term of the Lease shall commence on the Commencement Date set forth in the Summary Sheet ("**Commencement Date**") and end on the Expiration Date set forth in the Summary Sheet ("**Expiration Date**").

1.2. Leased Space. Landlord, in consideration of the rents to be paid and the covenants to be performed by Tenant, leases to Tenant, and Tenant leases from Landlord, the Premises identified in **Exhibit A** (the "**Premises**"), which such Premises is located in the building at the Building Address shown in the Summary Sheet (the "**Building**"), for Tenant's use and occupancy during the Use Periods set forth in the Summary Sheet (the "**Use Periods**"), for the purpose of the Permitted Use set forth in the Summary Sheet (and for no other purpose) on the terms set forth herein. During the Use Periods, Tenant shall have exclusive use of the Premises except as otherwise mutually agreed on an occasional basis, and nonexclusive use of all common areas of the Building including, without limitation, restrooms, lobbies, lobby furniture, hallways, stairwells, elevators, the parking area or areas, and other areas intended for shared use on the land on which the Building is situated (the "**Common Areas**"), subject, however, to rules and regulations for the use thereof as proscribed from time to time by Landlord. Such Common Areas may be reconfigured or otherwise modified from time to time by Landlord in its sole discretion.

1.3. Leased Equipment. References to "Leased Equipment" in this Lease relate to any furniture or equipment leased by Landlord to Tenant pursuant to attached **Exhibit B**, if any. If no furniture or equipment is leased by Landlord to Tenant, then references in this Lease to "Leased Equipment" are of no force or effect. To the extent **Exhibit B** identifies equipment and furniture to be leased to Tenant pursuant to this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, such equipment and furniture or such other comparable equipment and/or furniture as

may be provided from time to time by Landlord (the "**Leased Equipment**"), for Tenant's exclusive use in the Premises during the Use Periods.

1.4. Leased Services. References to "Leased Services" in this Lease relate to any office personnel (sometimes referred to herein separately as the "**Leased Employees**"), support or services leased by Landlord to Tenant pursuant to attached **Exhibit C**, if any. If no personnel, support or services are leased by Landlord to Tenant, then references in this Lease to "Leased Services" are of no force and effect. To the extent that **Exhibit C** identifies office personnel, support and/or services to be leased by Landlord to Tenant pursuant to this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, such office personnel, support and services (the "**Leased Services**") in connection with Tenant's use of the Premises during the Use Periods.

1.5. Retained Rights of Landlord. Landlord reserves the right to enter into other time share lease agreements or other use agreements (a) concerning the Premises and Leased Equipment, covering all or any portion of the time outside of the designated Use Periods, and to otherwise use the same during times outside the designated Use Periods, and (b) concerning the Leased Services, during the designated Use Periods on a shared basis with associated Lease Services Rent allocated appropriately, and to otherwise use the same during times outside the designated Use Periods.

1.6. Scheduling of Use. The Tenant's use of the Premises within a Use Period shall be governed by Landlord and its staff provided, however, the Rent during any Use Period shall not fall below the "EMU Share" for the "Percent of EMU Usage" as specified for any year in attached **Exhibit A**.

## **ARTICLE II RENT PAYMENTS**

2.1 Total Rent. Tenant shall pay Landlord the Total Rent set forth in the Summary Sheet which is comprised of the following (the "**Total Rent**"):

(a) Premises Rent. Tenant shall pay Landlord the Premises Rent as set forth in the Summary Sheet and as may be described in greater detail in **Exhibit A**.

(b) Leased Equipment Rent. If Tenant is leasing Leased Equipment from Landlord pursuant to this Lease, then Tenant shall pay Landlord the Leased Equipment Rent as set forth in the Summary Sheet and as described in greater detail in **Exhibit B**.

(c) Leased Services Rent. If Tenant is leasing Leased Services from Landlord pursuant to this Lease, then Tenant shall pay Landlord the Leased Services Rent as set forth in the Summary Sheet and as described in greater detail in **Exhibit C**.

2.2. Monthly Payments. Monthly payments of Total Rent shall be due and payable in advance, without prior demand, and without deduction or any setoff whatsoever, with the initial monthly payment due on the Commencement Date, and with subsequent payments due on or before the first day of each calendar month for the remainder of the term of this Lease. The payment for any partial month shall be prorated based on the time periods reserved for Tenant during such month that fall within the term of this Lease. Payments shall be made to Landlord at the Landlord's

Rent Payment Address set forth in the Summary Sheet, or at any other address designated by Landlord by notice to Tenant.

2.3. Quarterly Reconciliation. Within thirty (30) days after the end of every third month following the Effective Date (i.e., quarterly), Landlord shall provide Tenant with a reasonably detailed report of the actual amount of the costs incurred by Landlord during such period and Landlord and Tenant shall reconcile the cost components described in **Section 2.1(b) and (c)**, above to determine if Tenant has underpaid or overpaid such costs for the immediately preceding three month period. If Tenant has underpaid Landlord the amount of such costs for such three month period, then Tenant shall pay the amount of the deficiency to Landlord within fifteen (15) days. If Tenant has overpaid Landlord the amount of such costs for such three month period, then Landlord shall credit Tenant the amount of the overpayment against the next month(s) of those costs due under this Lease, until the amount of the credit is exhausted. It is the express intent of Landlord and Tenant hereunder that the payment and recovery of costs be accurate and correct, and that such amount be determined as aforesaid on a quarterly basis.

2.4. Reconciliation on Termination. Upon termination of this Lease, for whatever reason, within sixty (60) days following the effective date of termination, Landlord shall provide Tenant with a reasonably detailed report of the actual amount of costs from the last quarterly reconciliation date through the effective date of termination. If Tenant has underpaid Landlord the amount of such costs for such period, then Tenant shall pay the amount of the deficiency to Landlord within fifteen (15) days. If Tenant has overpaid Landlord the amount of such costs for such three month period, then Landlord shall pay Tenant the amount of the overpayment within fifteen (15) days.

2.5. Tenant's Contribution. Tenant's contribution to Landlord in connection with Landlord's preparation of the Premises for Tenant's use is described on attached **Exhibit D** and is not considered part of the Total Rent to be paid under this Lease.

### **ARTICLE III CARE AND OCCUPANCY OF THE PREMISES; USE**

#### 3.1. Use of Space and Conduct of Business by Tenant

(a) Permitted Use. Tenant shall use and occupy the Premises solely in connection with the provision of the Permitted Use set forth in the Summary Sheet, which is for the purpose of the education of students in Tenant's health professions programs through realistic medical simulation experiences. Tenant shall not use, nor suffer nor permit the Premises or any part thereof to be used, for the purpose of providing ancillary or support services, such as, by way of example and not limitation, radiology, laboratory, respiratory therapy, physical therapy or other outpatient hospital services. In no event may any portion of Tenant's activities in the Premises be licensed or held out to be a sleep laboratory, outpatient surgery center or to provide other outpatient diagnostic or surgical hospital services. The Tenant shall not accept referrals for the sole purpose of providing ancillary or support services, nor shall Tenant enter into any sharing arrangement with other tenants for the purpose of providing such services. Tenant shall

not bring any medical equipment onto the Premises without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole discretion.

(b) Ethical Directives. Tenant agrees not to engage in any activity at the Premises, Common Areas or Building in any manner which is in contravention of federal, state or local laws or the Ethical and Religious Directives for Catholic Health Care Services as interpreted in the Roman Catholic tradition, and as the same may be subsequently revised from time to time. Tenant agrees to carry out only those procedures which Landlord agrees, in advance, may appropriately be performed in the Premises consistent with applicable law, this Lease, and the operations of the hospital with which Landlord is affiliated, and its medical staff bylaws, rules and regulations.

(c) Rules and Regulations. Tenant acknowledges and agrees to abide by such rules and regulations as Landlord may establish with respect to parking, signs, entry, egress, Common Areas and other facets of use and occupancy of the Premises. At the end of each Use Period and at the termination of this Lease, Tenant shall, at Tenant's sole cost and expense, return the Premises to Landlord in as good condition and order as at the Commencement Date, reasonable wear and tear, damages from casualty, as well as conditions and damages caused by Landlord, excepted, and with all waste removed therefrom. During the Use Periods, Tenant will dispose of all hazardous and medical materials and substances so as to be in full compliance with all federal, state and local laws, rules, regulations and codes. Disposal will be at the sole cost of Tenant. Tenant shall not use the Premises for any activity deemed by Landlord or Landlord's insurer to be ultra-hazardous or which may result in the cancellation or increase in the cost of any insurance policy applicable to the Premises. In the event that, due to Tenant's activities, there shall be an increase in the rate of any insurance coverage applicable to the Premises or Building, Tenant agrees to bear the costs of such increase during the term of this Lease. Tenant, its employees, agents, contractors and invitees are prohibited from smoking in the Premises, Building and Common Areas.

(d) Billing and Collection. Reserved.

(e) ADA. Tenant shall take no action in connection with Tenant's use of the Premises that is in violation of the Americans with Disabilities Act, as amended (the "ADA"). In furtherance of the foregoing, Tenant shall ensure that Tenant's employment practices and the operation of Tenant's practice are in full compliance with applicable ADA requirements and that Tenant does not engage in any actions which cause the physical condition of the Premises to be out of compliance with the ADA.

3.2. Maintenance and Repair. Tenant may inspect the Premises prior to its occupancy. Tenant shall promptly reimburse Landlord for the expense of any repairs or maintenance to the Premises resulting from the negligent or willful acts or omissions of Tenant, Tenant's agents, employees, contractors, invitees, or licensees. Tenant shall promptly notify Landlord when the Premises is in need of repair or maintenance, and the expenses of any additional loss or damage resulting from the unreasonable delay of Tenant to do so shall be borne by Tenant.

3.3. Alterations. Tenant shall not make or cause to be made any alterations, additions or improvements to the Premises, including, without limitation, the installation or removal of any floor covering, interior or exterior lighting, plumbing fixtures, shades, or any other fixtures, or changes to the mechanical or electrical systems, without Landlord's prior written approval, and any such changes (a) shall be made only during such hours and by such contractors, mechanics or service personnel as Landlord may approve, and (b) shall remain in the Premises following expiration of the Term without cost to Landlord. Tenant shall not, directly or indirectly, create, nor permit to be created, any lien or encumbrance or charge on the Premises, Common Areas or Building without the prior written consent of Landlord.

3.4. Other Occupants. Landlord shall not be responsible or liable to Tenant for any loss or damage to property or injury to persons caused by the acts of other persons occupying or otherwise utilizing the Premises, Building or Common Areas, and Landlord shall not be liable to Tenant for any loss or damage of any kind or character to any of Tenant's files, goods, equipment or other personal property at the Premises to the extent that it is caused by anyone other than Landlord.

3.5. Utilities. Landlord shall arrange to provide heat, air conditioning, water and electricity to the Premises at the levels as such utilities are currently being provided. Landlord shall have no liability to Tenant for any interruption in utilities or other such services or for failure to provide same unless such interruption is directly caused by Landlord.

3.6. Storage and Medical Records. Tenant shall not use the Premises or any other portion of the Building for storage, including, without limitation, storage of medical records. Notwithstanding the foregoing to the contrary, if Landlord provides Tenant with the use of a storage locker in the vicinity of the Premises, then Tenant may, throughout the term of this Lease, use such locker on a full time basis for the storage of small miscellaneous items associated with Tenant's engagement in the Permitted Use (but excluding, in all events, medical records) and the rent attributable to such use shall be taken into account in establishing the Premises Rent.

3.7. Right to Change Location of Space. Landlord may, at any time upon 180 days' advance written notice to, and agreement of, Tenant, substitute for the Premises another reasonably comparable area within the Building. Landlord's notice shall state the reason for, and expected duration of, the substitution. Tenant reserves the right to terminate this Lease upon 30 days' advance written notice to Landlord if the proposed substituted space would not be, in Tenant's reasonable judgment, adequate to accommodate the Permitted Use, provided, however, such termination shall be effective at the end of the 180 day period described above. Tenant's notice of termination shall describe the inadequacy of the substituted space.

3.8. Parking. Tenant agrees that Tenant will only utilize the parking space allocated by Landlord which shall be Lot U for students and in Lot O for faculty, as such areas are depicted on attached Exhibit E. Tenant further agrees that Tenant will inform and direct anyone utilizing the Leased Space to use such assigned parking locations. Landlord may, at any time, substitute such parking space upon notice to Tenant identifying the substituted location for parking. Such substitution, may, or may not be, made in association with Section 3.7 above.

**ARTICLE IV  
CARE AND USE OF LEASED EQUIPMENT**

4.1. Use of Leased Equipment by Tenant. Landlord leases to Tenant the Leased Equipment, if any, during the Use Periods, and Tenant shall use and operate the Leased Equipment at the Premises solely in connection with the provision of the Permitted Use, and for no other purposes, except as may be consented to in writing by Landlord, which consent may be granted or withheld by Landlord in its sole discretion. Tenant shall use the Leased Equipment carefully and only for its intended use and shall comply with all laws and regulations related to the use, operation and possession of the Leased Equipment, and all manufacturer instructions and warranties. Tenant shall not make or cause to be made any alterations or additions to any of the Leased Equipment, without the prior written consent of Landlord, which consent may be granted or withheld by Landlord in its sole discretion. Tenant shall not remove any Leased Equipment from the Premises. Tenant shall provide, at its own expense, all other operating supplies and accessories necessary for the proper and efficient operation of the Leased Equipment by Tenant either directly or by purchasing the same from Landlord at fair market value. If and to the extent Tenant is granted access to telephone lines, internet service, or wireless, data, equipment, facilities, or services (together, the "**Data Services**") and/or related communications media utilizing or dependent upon telephone lines or internet access, then Tenant shall have non-exclusive access for use and operation solely in connection with the Tenant's performance of its Permitted Use in the Premises, in strict compliance with Landlord's associated policies, rules, and regulations, and without any interference with Landlord's or Landlord's other tenants' or occupants' operation of or access to any Data Services.

4.2. Maintenance and Repair. Landlord shall be responsible for routine maintenance of the Leased Equipment, except that Tenant shall promptly reimburse Landlord for the expense of any repairs, replacement, or maintenance resulting from the negligent or willful acts or omissions of Tenant, Tenant's agents, employees, contractors, invitees or licensees and any taxes attributable to Tenant's use of the Leased Equipment. Tenant shall promptly notify Landlord when the Leased Equipment is in need of repair or maintenance, and the expenses of any additional loss or damage resulting from the unreasonable delay of Tenant to do so shall be borne by Tenant.

4.3. Disclaimer of Warranties. LANDLORD SUPPLIES THE LEASED EQUIPMENT "AS IS" AND MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS, DESIGN OR CONDITION OF, OR THE QUALITY OF MATERIAL OR WORKMANSHIP IN, THE LEASED EQUIPMENT, OR AS TO THE FITNESS OF THE LEASED EQUIPMENT FOR A PARTICULAR PURPOSE. As of the Effective Date, to Landlord's actual knowledge, the Leased Equipment is in good working order. Tenant agrees that Landlord shall not have any liability to Tenant for any claim, loss, damage or expense resulting from failure of the Leased Equipment to operate or from the faulty operation of the Leased Equipment whatsoever.

4.4. Title To Leased Equipment. The Leased Equipment shall, at all times, be the sole and exclusive property of Landlord, and Tenant shall have no right, title, or interest in or to the Leased Equipment. Tenant shall not permit its rights or interest hereunder to be subject to any



lien, charge or encumbrance. Tenant shall not attempt to pledge, grant a security interest in or lien on, or otherwise encumber the Leased Equipment or any interest therein.

4.5. Surrender Of Leased Equipment. At the end of each Use Period, and at the termination of this Lease, Tenant shall, at Tenant's sole cost and expense, return the Leased Equipment to Landlord in as good condition and order as at the Commencement Date, reasonable wear and tear, as well as conditions and damages caused by Landlord, excepted.

## **ARTICLE V LEASED SERVICES**

5.1. In General. Landlord leases to Tenant the Leased Employees and Leased Services, if any, during the Use Periods, solely in connection with the provision of the Permitted Use, and for no other purposes, except as may be consented in writing by landlord, which such consent may be granted or withheld by Landlord in its sole discretion. Leased Employees shall possess the skills and qualifications necessary to perform the services required by this Lease, and Tenant leases the Leased Employees as part of the Leased Services from Landlord. Such Leased Employees shall provide services in the capacity of leased employees under the supervision, direction, and control of Tenant. The parties intend for this Lease to be so construed as to establish a leased employment relationship between Leased Employees and Tenant. Payment required hereunder for the Leased Employees is limited to the full time equivalents ("FTEs") reasonably expected to be used to provide the educational services hereunder, recognizing that the same employees may, to the extent provided in any other written agreements, provide similar services within some portion of the remainder of their work time or for other physicians or other occupants practicing at the same location.

5.2. Tenant Control. Tenant shall exercise control over all actions taken by Leased Employees regarding the provision of educational services assistance during the Use Periods to the same extent as Tenant would exercise over direct employees, including the right to supervise, control, and direct the Leased Employees. Tenant shall determine the policies and procedures that Leased Employees shall follow during the Use Periods regarding the time, place, and manner of performance of duties, including policies and procedures regarding work hours, breaks, lunch breaks, delegation, and assignment of work.

5.3. Replacement. If a Leased Employee ceases to be employed by Landlord, for whatever reason, Landlord shall provide a similarly qualified individual reasonably acceptable to Tenant under the same terms and conditions set forth herein.

5.4. Leased Employee Benefits. Landlord is responsible for determining the amount of compensation, benefits, vacation, sick, and personal leave to which the Leased Employees are entitled. Landlord shall substitute a similarly qualified individual reasonably acceptable to Tenant in place of a Leased Employee who is on any scheduled leave. Landlord is responsible for withholding applicable federal, state, and local income taxes, social security taxes, and federal, state, and local employment taxes from the wages of the Leased Employees, payment of all applicable federal unemployment, state unemployment, and other payroll taxes and assessments due, and providing workers' compensation and non-obligatory fringe benefit programs for the Leased Employees.

5.5. Responsibilities of Tenant

(a) Work Records: Tenant shall comply with Landlord's reasonable requirements for information regarding Leased Employee services, including, if requested, providing written certification to Landlord of hours worked by Leased Employees prior to the end of each payroll period.

(b) Safe Work Environment: Tenant shall comply with all health and safety laws, regulations, ordinances, directives, and rules regarding the workplace, health, and safety imposed by any federal, state, or local government or agency, and will immediately report to the proper authority all accidents and injuries to Leased Employees and provide Landlord with a copy of such notice and any accident or injury report provided to such authorities.

(c) Accommodation and Leave: Tenant agrees to make such reasonable accommodations to which Leased Employees are entitled to receive under the Americans With Disabilities Act. Tenant agrees to undertake such additional actions as Landlord may be required to undertake under additional federal, state or local laws, rules and regulations as these may change from time to time. Tenant agrees to assume its pro rata share (based on FTEs of service for Tenant) of the costs of accommodation, leave and additional actions, if any, for Leased Employees assigned to Tenant.

5.6. HIPAA. Tenant's Leased Employees shall be considered to be members of Tenant's work force for purposes of the Health Insurance Portability and Accountability Act ("HIPAA"), as amended, and shall comply with Tenant's HIPAA policies and procedures.

5.7. Fees and Billing. During the term of this Agreement, Tenant shall pay Landlord the Leased Services Rent in accordance with the Summary Sheet and **Exhibit C** as payment for the Leased Services. All fees or other compensation received or realized as a result of the provision of services provided by the Leased Employees and/or by use of the Leased Employees pursuant to this Lease shall belong to and shall be paid and delivered to Tenant or to an entity under an arrangement with respect to the compensation for the services provided by the Leased Employee. If necessary, Landlord shall provide Tenant with such additional information as Tenant or any entity under arrangement may reasonably require to bill and collect for such services.

5.8. Leased Services of Personnel. In the event that the Leased Services provided to Tenant by Landlord hereunder include the services of Leased Employees, Tenant shall be responsible for the supervision of such personnel and shall be liable for their acts and omissions to the same extent as Tenant would be liable for the acts and omissions of Tenant's employees. Tenant acknowledges and agrees that Landlord shall not be liable for the acts and omissions of such personnel during such times as they are to be under Tenant's supervision. Tenant further agrees to indemnify, defend and hold harmless Landlord with respect to any claims or liabilities, which may arise, from such acts and omissions.

**ARTICLE VI**  
**INSURANCE; INDEMNIFICATION; DAMAGE TO OR**  
**CONDEMNATION OF THE PREMISES**

6.1. Tenant's Insurance.

(a) Tenant shall purchase and maintain in force, at its own cost and expense, from the date Landlord first delivers possession of the Premises and at all times during Tenant's occupancy under this Lease: (i) a policy or policies of insurance with coverage at least as broad as ISO Special Form Coverage insuring risks of physical loss or damage (commonly known as "all risk"), to the extent of one hundred percent (100%) of the insurable full replacement value thereof, all property and fixtures in the Premises owned by Tenant against fire and casualties, including extended coverage insurance, (ii) a policy or policies of commercial general liability insurance, covering bodily, personal injury, and property damage, written on an occurrence basis, or, if written on a "claims made" basis, then "tail" will be required for a period of not less than three (3) years to cover any liability resulting during the term of this Lease, in either case with respect to the Premises, and the business operated therein by Tenant, including insurance against assumed or contractual liability, with limits for liability of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, (iii) workers compensation insurance in amounts required in accordance with applicable laws within the State where work is being performed, (iv) automobile liability insurance covering use of all owned, non-owned, leased and hired automobiles in a minimum amount of One Million Dollars (\$1,000,000) per claim and in the annual aggregate, and (v) professional liability insurance (if applicable) for services being provided within the Premises, written on an occurrence basis, or, if written on a "claims made" basis, then "tail" will be required for a period of not less than three (3) years (or such longer period as may be required to cover the duration of the statute of limitations for the applicable claim(s)) to cover any liability resulting during the term of this Lease, in either case (A) if Tenant is not governed by physician staff bylaws of the hospital with which Landlord is affiliated ("**Hospital**"), then with limits of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, and (B) if Tenant is governed by the physician staff bylaws of the Hospital, then with limits as required by such bylaws.

(b) To the extent permitted by applicable law and Tenant's insurance program, Tenant's commercial general liability policy (or policies) shall name Landlord as an additional insured with respect to the Lease.

(c) All Tenant required insurance shall be written by an insurance company or companies admitted and licensed to do business in the State where the Premises are located, with an AM Best rating of A- or higher or otherwise approved by Landlord, which approval will not unreasonably be withheld. Certificates of Tenant's insurance shall state that the insurer will endeavor to provide for not less than thirty (30) days written notification to Landlord prior to termination, cancellation, or material change to any such policies. Certificates of Tenant's insurance shall be delivered to Landlord prior to Tenant's occupancy of the Premises. In addition, Tenant shall deliver to Landlord Certificates of Tenant's insurance (i) on each anniversary of the Effective Date, and (ii) ten (10) days prior to the expiration of each of such policies. Client may

self-insure, should it choose to do so, or may procure insurance through the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.).

(d) The terms of this Section shall survive the termination of this Lease.

6.2. Mutual Waiver of Subrogation. Landlord and Tenant hereby waive their rights of recovery against each other for any loss, damage or injury resulting from insured perils to person or property under policies required to be carried hereunder by such party, occurring in, on and around the Premises, Building, and the Property. Landlord and Tenant shall give written notice to their insurers of this mutual waiver of subrogation and obtain endorsements to their respective policies of insurance evidencing that the insurers waive subrogation in furtherance of this provision and said endorsements shall be provided to the opposite party. The terms of this Section shall survive the termination of this Lease.

6.3. Minimum Coverage Requirements. The amounts of insurance required to be carried by under this Lease shall not be deemed or construed to so limit the liability of such party. The terms of this Section shall survive the termination of this Lease.

6.4. Indemnities.

(a) Indemnification by Tenant. Tenant shall indemnify, defend, protect, and hold harmless Landlord and all of its Ministry Organizations, affiliates, employees, agents, directors, officers, successors and assigns, from and against any and all losses, liability, claims, suits, proceedings, damages, claims and allegations of any kind, brought by any third party, including, but not limited to, reasonable attorneys' fees, costs and expenses, arising out of Tenant's (including Tenant's affiliates, employees, servants, agents, directors, officers, successors and assigns) failure to comply with the terms or conditions of this Lease or arising in connection with Tenant's use of the Premises, except those which shall result, in whole or in part, directly or indirectly, from the default or negligence of Landlord, its Ministry Organizations, agents, employees, successors or assigns. The terms of this Section shall survive the termination of this Lease.

(b) Indemnification by Landlord. Landlord shall indemnify, defend, protect, and hold harmless Tenant and all of its affiliates, employees, agents, directors, officers, successors and assigns, from and against any and all losses, liability, claims, suits, proceedings, damages, claims and allegations of any kind, brought by any third party, including, but not limited to, reasonable attorneys' fees, costs and expenses, arising out of Landlord's (including Landlord's Ministry Organizations, affiliates, employees, servants, agents, directors, officers, successors and assigns) failure to comply with the terms or conditions of this Lease or arising in connection with Landlord's use of the Building (exclusive of the Premises) and Common Areas, except those which shall result, in whole or in part, directly or indirectly, from the default or negligence of Tenant, its agents, employees, successors or assigns. The terms of this Section shall survive the termination of this Lease.

(c) Where Both Parties Have Responsibility. If both parties have an obligation to the other under the foregoing provisions, tort comparative fault principles shall be applied to

allocate payment between the parties. The terms of this Section shall survive the termination of this Lease.

(d) Notifications and Survival Regarding Indemnities. Both Landlord and Tenant agree to give the other party notice of any claim or liability which may give rise to indemnification under this **Section 6.4**, and do so within a commercially reasonable time following such party's receipt of notice of intent or notice of claim. The terms of this provision shall survive the termination of this Lease.

## ARTICLE VII ADDITIONAL RIGHTS AND OBLIGATIONS OF THE PARTIES

7.1. Relationship of the Parties. In the performance of this Lease, Landlord and Tenant (and their respective employees or agents) shall be and shall at all times remain independent contractors, and no joint venture, partnership or agency shall be created hereby. Landlord may prepare signs for approval by Tenant (such approval not to be unreasonably withheld) which shall be posted in plain view at the Premises during the Use Periods, which signs shall indicate that the educational services are supplied by Tenant and that Tenant and/or all persons rendering educational services and related services on behalf of Tenant are not acting as agents of Landlord. No signage shall be displayed by Tenant at the Building, Premises or Common Areas without Landlord's prior written consent, which such consent may be withheld in Landlord's sole discretion (but not to be unreasonably withheld). Landlord shall neither have nor exercise any control or direction over Tenant or Tenant's agents or employees in connection with the rendering of educational services.

7.2. Membership in Profession. Reserved.

7.3. Licensure. Reserved.

7.4. Confidential Information. Except as otherwise required by law or as provided in this Lease, during the term of this Lease and thereafter, the parties shall, and shall cause their respective directors, officers, managers, members, employees, contractors, and agents to, hold Confidential Information (as defined below) in strictest confidence and in accordance with state and federal law. The parties shall refrain from using, for their own benefit or disclosing to third parties, any and all communications, actions, information, knowledge, or data regarding the business operations of the other party which is not generally known to the public or generally known within the health care industry, including, but not limited to, information relating to patient medical records, student records, financial affairs, services, patients, clinical practice protocols, quality assurance mechanisms, employees, employees' compensation, accounting, marketing, trade secrets and other proprietary information, proposed or actual business plans or operations, parties with whom the other party has a business relationship, and the terms of this Lease ("**Confidential Information**"). This obligation of confidentiality shall survive the termination or expiration of this Lease. Upon termination of this Lease, the parties shall: (a) within ten (10) days of termination, promptly return to the other party, or, at the disclosing party's direction, promptly destroy all Confidential Information (other than patient medical records or student records), including all copies of documents, notes, or materials made by the party or at the disclosing party's direction; (b) certify, in writing, to the disclosing party that the

party has so complied; and (c) not use Confidential Information or transact business in a manner in any way based upon or utilizing Confidential Information.

7.5. Access to Premises. Landlord shall have the right to enter upon the Premises at all reasonable times, including both times within and outside of the Use Periods, and at all times in case of emergency, for the purpose of inspecting the Premises, preventing waste, loss or destruction, removing obstructions, providing maintenance or making repairs as it may deem necessary or convenient, or to enforce any of Landlord's rights under this Lease.

## ARTICLE VIII TERM AND TERMINATION

8.1. Term. The term of this Lease shall be for an initial period commencing on the Commencement Date and terminating on the Expiration Date, unless earlier terminated as provided herein.

8.2. Termination.

This Lease may be terminated as may be otherwise expressly provided herein or as follows:

(a) Reserved.

(b) Landlord may immediately terminate this Lease by giving Tenant written notice of termination upon Tenant's violation of Sections 3.1(b) or 7.4 above.

(c) In the event that Tenant fails to make a payment of Rent pursuant to Article II or other required payment when due hereunder, Landlord may terminate this Lease upon seven (7) days' prior written notice to Tenant; provided, however, that in the event Tenant provides the overdue payment to Landlord within seven (7) days after such notice is given, such notice shall be null and void. Notwithstanding the foregoing, Landlord may, at its option, exercise the remedy provided in Section 8.7 rather than terminating the Lease.

(d) Unless the Lease is otherwise terminated pursuant to this Section 8 hereof, either party may terminate this Lease upon thirty (30) days prior written notice in the event that the other party commits a breach of this Lease; provided, however, that in the event that the breach is cured within thirty (30) days after such notice is given, such notice shall be null and void. Notwithstanding the foregoing, Landlord may, at its option, exercise the remedy provided in Section 8.7 rather than terminating the Lease.

(e) With respect to a Tenant that is an entity, this Lease shall terminate automatically upon the bankruptcy, dissolution, or liquidation of Tenant, or upon the appointment of a receiver or liquidator for all or a portion of the assets or business of Tenant.

(f) In the event that there shall be a change in applicable laws, regulations or rules or in the application thereof ("**Applicable Laws**"), including without limitation the enactment of new laws, rules or regulations, or a change in the reimbursement rates or methodology of any third party payor, or a written determination made by a governmental agency or court of competent

jurisdiction, which, with respect to the relationship between Landlord and Tenant under this Lease, could or reasonably does in Landlord's view: (i) threaten the continued status of Landlord as an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"); (ii) cause Landlord or Tenant to be in violation of any law; or (iii) result in the imposition of intermediate sanctions, taxes, penalties or fines for excess benefits as defined in Section 4958 of the Code; or (iv) otherwise prohibits, restricts, limits, or in any way materially changes the method or amounts of reimbursements or payment for educational services or other services rendered under this Lease, or which otherwise materially affects any party's rights or obligations hereunder, the affected party may give the other notice of intent to amend this Lease in a fashion in compliance with such law that is equitable to all parties. If this Lease is not so amended in writing within sixty (60) days after said notice is given, either party shall have the right to terminate this Lease immediately.

(g) Tenant may affiliate with other health care delivery systems located within the Hospital's primary or secondary market, or within the primary or secondary market of the Hospital's Ministry Organizations or affiliates, which includes, without limitation, any entity owned or controlled by Landlord or the Hospital, or under common control with Landlord or the Hospital, so long as no medical or educational professional employed by or affiliated with such other health care delivery system provides any educational or other services within the Premises.

8.3. Surrender of Premises and Leased Equipment. Upon expiration or termination of this Lease, Tenant shall immediately surrender the Premises and Leased Equipment to Landlord in broom clean condition, and in good condition and repair. All alterations, additions and improvements to the Premises or Leased Equipment shall, unless otherwise agreed in writing, remain upon and be surrendered with the Premises or Leased Equipment. In addition, Tenant shall promptly remove all of Tenant's personal property from the Premises; reimburse Landlord for the cost of repairing any damage to the Premises or the Leased Equipment caused by such removal within ten (10) days after receiving an invoice therefor from Landlord; surrender all keys, building security cards and other building identification or related security items or materials; and, at Tenant's sole cost and expense, remove any liens and other encumbrances on the Premises or Leased Equipment resulting from the acts or omissions of Tenant. Tenant shall reimburse Landlord for the cost of changing any and all locks. The terms of this provision, including any payment obligation arising hereunder, shall survive the termination of this Lease.

8.4. Subsequent Lease. If this Lease is terminated during the one year period following the Commencement Date, the parties will not then enter into a new lease arrangement for the Premises, Leased Equipment, or Leased Services until at least twelve (12) full months after the Commencement Date, if necessary to comply with Applicable Laws.

8.5. Post-Termination Obligations. Notwithstanding the termination of this Lease, the parties shall carry out any provisions hereof which contemplate performance subsequent to termination. The termination of this Lease shall not in any way affect any liability or other obligation of the parties which may have accrued prior to the date of termination. Upon termination of this Lease, Tenant shall promptly pay Landlord all sums due and owing hereunder.

8.6. Holding Over. If Tenant either (a) remains in possession after expiration of the term hereof, or (b) occupies the Premises during the term hereof during periods in addition to the

Use Periods reserved to Tenant hereunder, and, in either event, without Landlord's acquiescence and without written agreement of the parties, Tenant shall be a tenant-at-will only with respect to such periods, subject to all of the terms and provisions of this Lease, except that Premises Rent shall be one hundred twenty-five (125%) of the Premises Rent in effect immediately preceding the at-will tenancy, and there shall be no renewal of this Lease by operation of law. The foregoing notwithstanding, in no event shall any holdover continue for more than six (6) months after the termination of this Lease. Any holdover tenancy shall automatically terminate, without notice, at the latest, six (6) months after the termination of the Lease term. In order to extend the Lease term beyond such six (6) month period, Landlord and Tenant must execute a new lease which is for a term of no less than one (1) year and which otherwise satisfies all regulatory requirements.

8.7. Reletting. In the event that Landlord provides notice of termination pursuant to either **Section 8.2(c)** or **Section 8.2(d)** above and Tenant fails either to cure its breach or to make an overdue payment, as the case may be, within the time allotted therefor under the applicable Section, rather than exercising its right to terminate the Lease pursuant to such Section, Landlord may, at its option, without terminating this Lease, remove Tenant's property from the Premises and relet the Premises, Leased Equipment and/or Leased Services during the Use Periods for the account of Tenant, on such terms and conditions as are satisfactory to Landlord. Landlord will credit the net proceeds from reletting the Premises, Leased Equipment and/or Leased Services to the account of Tenant, and Tenant will remain liable to Landlord for the balance, if any, of Tenant's account.

8.8. Remedies. If, in connection with any default by Tenant, Landlord makes any expenditure or incurs any obligations for the payment of money (including reasonable attorneys' fees), such sums shall be due from Tenant to Landlord and shall be recoverable as damages under this Lease. The rights and remedies specified under this Lease in the event of Tenant default are cumulative with and in addition to the rights and remedies available to Landlord at law and in equity. Failure on the part of Landlord to complain of any act or failure to act of the Tenant or to declare the Tenant in default, irrespective of how long such failure continues, shall not constitute a waiver by Landlord of its rights hereunder.

8.9. Exculpation. Anything to the contrary in this Lease notwithstanding, the covenants and obligations contained in this Lease to be performed by Landlord are made for the purpose of binding only the fee simple or leasehold estate that Landlord owns in the Building, including rents, sales, condemnation, and insurance proceeds, and any other profits derived from the Building.

## **ARTICLE IX MISCELLANEOUS**

9.1. Assignment and Subletting. Tenant shall not assign nor transfer this Lease or any interest herein, nor sublet the Premises, Leased Equipment, or Leased Services or any part thereof, nor permit occupancy or use of any of the foregoing by anyone other than Tenant, without the prior written consent of Landlord in each instance, which consent may be given or denied in Landlord's sole and absolute discretion. Any assignment, transfer or sublease shall not release Tenant from Tenant's obligation hereunder, and any such assignee, transferee or



subtenant shall agree in writing to comply with the terms of this Lease. Landlord may assign its rights under this Lease at any time without the prior written consent of Tenant.

9.2. No Referrals. The parties acknowledge and agree that the amount of the Total Rent, and each component thereof, is consistent with fair market value, has not been determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties, does not involve payment for referrals for medical services, and would be commercially reasonable irrespective of whether any referrals are ever made between the parties. No payment is made under this Lease in return for the referral of patients or in return for the ordering, purchasing or leasing of products or services from Landlord or Tenant. Nothing in this Lease shall be construed to require Landlord or Tenant to make referrals of patients to one another, if applicable.

9.3. Government Access to Records. In the event that the Secretary of Health and Human Services or the Comptroller General of the United States or their respective representatives determine that this Lease is a contract described in Section 1861(v)(1)(I) of the Social Security Act, as amended from time to time, Tenant agrees that until the expiration of four (4) years after the furnishing of space, equipment and services pursuant to this Lease, Tenant shall make available, upon written request to Landlord or the Secretary of Health and Human Services or, upon request to the Comptroller General of the United States, or any of their duly authorized representatives, this Lease, and books, documents and records of Tenant that are necessary to certify the nature and extent of costs paid by Landlord pursuant to this Lease. Tenant will immediately notify Landlord of any request Tenant receives from any of the persons listed above for access to Tenant's books, documents, records or this Lease and will provide access to such books, documents and records to Landlord upon its request.

9.4. Prohibited Persons and Transactions. Tenant represents and warrants to Landlord that Tenant is currently in compliance with and shall at all times during the Term (including any extension thereof) remain in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking property and prohibiting Transactions with person who Commit, Threaten to Commit or Support Terrorism), or other governmental action relating thereto.

9.5. Amendments. This Lease may not be revoked, altered, changed, modified, amended or discharged except in writing signed by both parties. No waiver by any party hereto of a breach or violation of any provision of this Lease shall be valid unless in writing and signed by the party against whom it is to be enforced.

9.6. Invalidity. If any one or more of the terms, covenants or conditions of this Lease shall be adjudged to any extent invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, such provision shall be as narrowly construed as possible to the extent necessary to be valid and enforceable, and each and all of the remaining terms, covenants and conditions of this Lease.

9.7. Notices. All payments, notices and formal communications required or permitted under this Lease shall be in writing and addressed to the applicable Notice Address(es) specified in the Summary Sheet and shall be sufficient for all purposes (a) if delivered personally to the party to whom the same is directed, which such notice shall be deemed to be delivered upon actual delivery or refusal of delivery thereof, (b) if sent by nationally recognized overnight courier (such as FedEx or UPS), which such notice shall be deemed to be delivered on the next business day following deposit with such overnight courier, or (c) if sent by certified mail, postage prepaid, return receipt requested, deposited in any receptacle regularly maintained for the deposit of United States mail, which such notice shall be deemed to be received on the date which is three (3) business days following deposit with such U.S. mail receptacle. Each party's Notice Address(es) may be changed by such party giving written notice to the other party.

9.8. Entire Lease. This Lease, including the Exhibits and Summary Sheet attached hereto, represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. In the event of any discrepancy between the terms of (a) the Summary Sheet, and (b) the Lease or Exhibits to the Lease, the Lease and Exhibits shall control. All prior oral or written understandings and agreements between the parties with respect to the subject matter hereof are specifically merged herein.

9.9. Enforceability. This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, executors, administrators, successors and permitted assigns. This Lease shall be enforceable only by the parties hereto and their successors in interest by virtue of an assignment which is not prohibited under the terms of this Lease. No third party beneficiary rights are intended to be created by this Lease.

9.10. Governing Law. This Lease shall be construed and enforced in accordance with the laws and decisions of the State in which Premises is located.

9.11. Construction. The headings of the sections and paragraphs contained in this Lease are for convenience and reference purposes only and shall not be used in construction or interpretation of this Lease.

9.12. Counterparts and Signatures. This Lease may be executed in one or more counterparts by the separate parties to this Lease, each of which shall be deemed an original, and all of which, together, shall constitute one and the same document. Signatures to this Lease that are transmitted via facsimile or electronically shall be deemed to constitute original signatures.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first stated above.

End of Text.

**SIGNATURE PAGE TO  
LANDLORD TIME SHARE LEASE AGREEMENT**

**BETWEEN**

**TRINITY HEALTH-MICHIGAN, a Michigan non-profit corporation  
D/B/A ST. JOSEPH MERCY ANN ARBOR, AS LANDLORD**

**AND**

**THE REGENTS OF EASTERN MICHIGAN UNIVERSITY, AS TENANT**

LANDLORD

**TRINITY HEALTH-MICHIGAN,**  
a Michigan non-profit corporation  
d/b/a St. Joseph Mercy Ann Arbor

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**SIGNATURE PAGE TO  
LANDLORD TIME SHARE LEASE AGREEMENT**

**BETWEEN**

**TRINITY HEALTH-MICHIGAN, a Michigan non-profit corporation  
D/B/A ST. JOSEPH MERCY ANN ARBOR, AS LANDLORD**

**AND**

**THE REGENTS OF EASTERN MICHIGAN UNIVERSITY, AS TENANT**

TENANT

**THE REGENTS OF EASTERN  
MICHIGAN UNIVERSITY,**  
a Michigan constitutional body corporate

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Dean: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Provost: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

President: \_\_\_\_\_

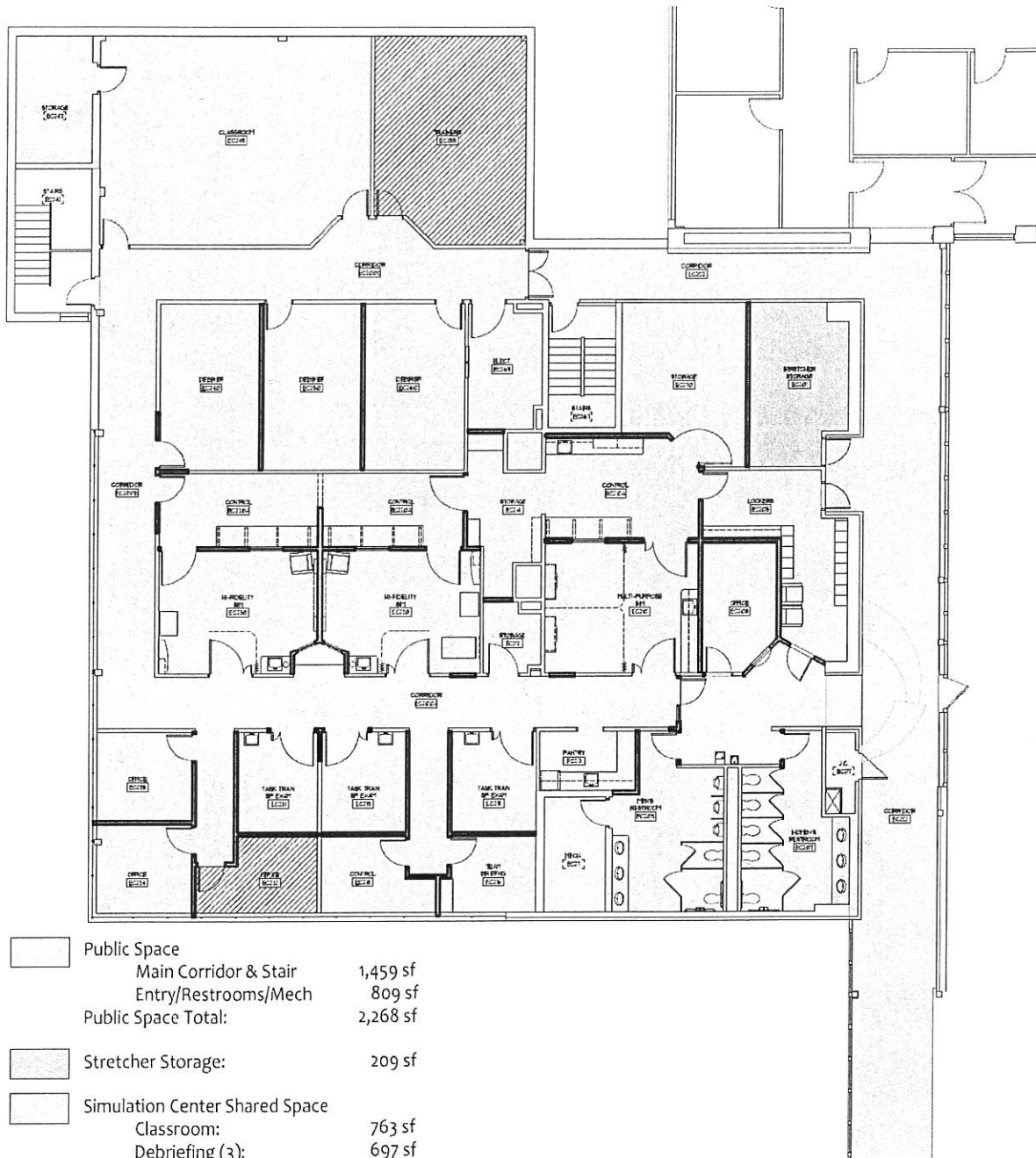
Date: \_\_\_\_\_

## EXHIBIT A

### Description of Premises

1. See floor plan attached and attached Exhibit A, page 2; Total Rent p.s.f. rental rate equals \$33.00.
2. The Premises Rent includes Tenant's use of the Premises and Tenant's proportionate share of the Common Area costs, all utilities consumed in reasonable quantities in the ordinary course of the conduct of Tenant's business at the Premises and, to the extent provided by Landlord from time to time, at Landlord's option, security services, building services and housekeeping services; and the Equipment and Services described in attached Exhibit B and Exhibit C to the Lease.

### Exhibit A – Floor Plan







	Public Space	
	Main Corridor & Stair	1,459 sf
	Entry/Restrooms/Mech	809 sf
	Public Space Total:	2,268 sf
	Stretcher Storage:	209 sf
	Simulation Center Shared Space	
	Classroom:	763 sf
	Debriefing (3):	697 sf
	Sim Center SJMH Exclusive Use	
	Trainers EC255:	419 sf
	Office EC232:	119 sf
	Sim Center Total:	6,879 sf
	Total Renovation Net Area:	9,356 sf
	Total Renovation Gross Area:	9,457 gsf

Exhibit D – Tenant's Contribution

Simulation Center

**Exhibit D - Contribution**

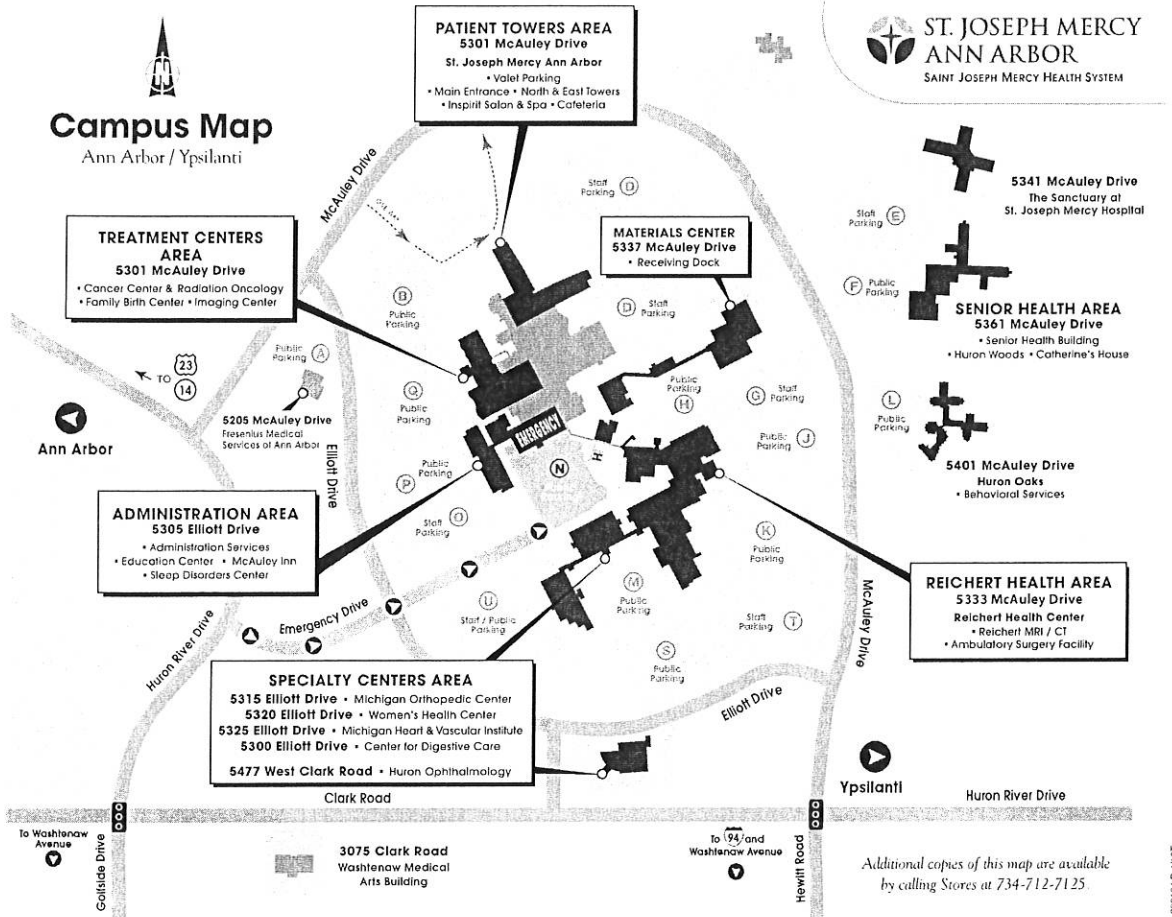
Exhibit D - Simulation

<u>Simulation Center (Education Ctr 2nd floor)</u>		<u>Estimated Costs</u>	<u>Comments</u>
Construction		\$ 570,000.00	Per Bids
MEP		\$ 318,000.00	Per Bids
A/MEP Design Fees		\$ 71,000.00	Per Bids
Equipment		\$ 405,051.15	Per estimates
Total		<u>\$ 1,364,051.15</u>	
EMU Share	30%	\$ 409,215.35	
SJMH Share	70%	\$ 954,835.81	

## Exhibit E – Parking Areas

Lot U – Students

Lot O – Faculty





**Exhibit A, p.2 – Rent**

Simulation Center

**Exhibit A - Rent**

Exhibit A - Simulation Operating Costs

	Yr.1	Yr.2	Yr.3	Yr.4 (h)	Yr.5 (h)	Yr.6 (h)	Yr.7 (h)	Yr.8 (h)	Yr.9 (h)	Yr.10 (h)
<b>Simulation Estimated Costs</b>										
Base Usage -Facility	\$ 209,253.00	\$ 214,484.33	\$ 219,846.43	\$ 225,342.59	\$ 230,976.16	\$ 236,750.56	\$ 242,669.33	\$ 248,736.06	\$ 254,954.46	\$ 261,328.32
Staffing Cost Usage Fee	\$ 329,262.11	\$ 339,139.98	\$ 349,314.18	\$ 358,047.03	\$ 366,998.21	\$ 376,173.16	\$ 385,577.49	\$ 395,216.93	\$ 405,097.35	\$ 415,224.79
Exist. Equip. Use Fee based on 5 yrs	\$ 17,821.90	\$ 28,776.80	\$ 28,776.80	\$ 29,496.22	\$ 30,233.63	\$ 30,989.47	\$ 31,764.20	\$ 32,558.31	\$ 33,372.27	\$ 34,206.57
Other expenses	\$ 61,014.00	\$ 72,055.00	\$ 69,596.80	\$ 71,336.72	\$ 73,120.14	\$ 74,948.14	\$ 76,821.84	\$ 78,742.39	\$ 80,710.95	\$ 82,728.72
<b>Total</b>	<u>\$ 617,351.01</u>	<u>\$ 654,456.10</u>	<u>\$ 667,534.21</u>	<u>\$ 684,222.57</u>	<u>\$ 701,328.13</u>	<u>\$ 718,861.33</u>	<u>\$ 736,832.87</u>	<u>\$ 755,253.69</u>	<u>\$ 774,135.03</u>	<u>\$ 793,488.41</u>
Allocation										
EMU Share	\$ 61,735.10	\$ 130,891.22	\$ 200,260.26	\$ 205,266.77	\$ 210,398.44	\$ 215,658.40	\$ 221,049.86	\$ 226,576.11	\$ 232,240.51	\$ 238,046.52
Less Utilization credit for lower u	\$ (6,362.50)	\$ (13,106.75)	\$ (20,249.93)	\$ (20,756.18)	\$ (21,275.09)	\$ (21,806.96)	\$ (22,352.14)	\$ (22,910.94)	\$ (23,483.72)	\$ (24,070.81)
EMU Share	<u>\$ 55,372.60</u>	<u>\$ 117,784.47</u>	<u>\$ 180,010.33</u>	<u>\$ 184,510.59</u>	<u>\$ 189,123.35</u>	<u>\$ 193,851.44</u>	<u>\$ 198,697.72</u>	<u>\$ 203,665.16</u>	<u>\$ 208,756.79</u>	<u>\$ 213,975.71</u>
Percent of EMU Usage (Block Time)	10%	20%	30%	30%	30%	30%	30%	30%	30%	30%

- Notes
- a Base cost includes facility, utilities and office level daily cleaning
  - b Per Business model
  - c Per Business model
  - d Warranties, Supplies, Purchased services
  - e Note no depreciation will be charged it is assumed to be covered in the usage and Contribution amounts
  - f EMU to only uses the manager for 3 hours per week
  - g Assumed to be prorated and billed monthly with quarterly reconciliations
  - h Yrs 4-10 inflated at 2.5%

## Exhibit B - Description of Leased Equipment

Exhibit B - Equipment

Simulation Center	Total Received	Allocated Received	Purchase Received	Cost Per Unit	Cost for All Units	Incremental Cost	Comments	Is it currently owned?
High fidelity simulator	1	1	0	75,000.00	75,000.00	-		
Child birth simulator	1	1	0	42,742.80	42,742.80	-		Yes - similar 3G
Pediatric simulator	1	1	1	45,000.00	45,000.00	45,000.00	Purchased 7/3 by 360, life of simulator approx 5-7 years. 08/07/10 just purchased a new Model price varies with features	Yes - Model
Parent beds	2	0	2	56,500.00	113,000.00	6,500.00		
Nurse Stations	2	0	2	52,000.00	104,000.00	4,000.00		
mpo stand	0	0	6	5350	21,000.00	2,100.00		
crystal cart	2	1	1	12,000.00	24,000.00	12,000.00	cart plus debris and equipment	
shpms disposal	6	0	0				no charge	
shpms	6	0	0				in construction bid	
wedite car	10	6	0	5100	1,000.00			
mpm hampers	5	1	4	5235	1,175.00	940.00		
cabinet	6	0	6				in construction bid	
bedside table	3	0	3	5550	1,650.00			
AV system	1	1	1	180,000.00	180,000.00	180,000.00		
LED Screens (1 touch)	12	0	12	2,000.00	24,000.00	24,000.00	2 sim room, 2 multipurpose room, 2 debrief rooms, 2 control room, 4 exam	
exam table	2	0	2	51,470.00	2,840.00	2,840.00		
glove dispenser	5	0	5	565.00	325.00	325.00		
Exam Room Diagnostic Sets	3	0	3	\$840.00	2,490.00	2,490.00		
computers plus monitor	3	0	3	1,000.00	3,000.00	3,000.00	1 mp room, 1 reception area, 1 control room, 2 office	
stools	5	0	5	\$200	1,000.00	1,000.00	3 physician exam room stools	
tablets	30	30	0	\$400	12,000.00		10-15 mp room, 2 debriefing, 10 task room	
projector - TV	5	0	5	500.00	2,500.00		debrieffing room, 7 depends on location for sim center	
reception chair	10	0	10	555.5	5,550.00			
chairs	70	70	0	\$300	21,000.00			
overgen flowmeter	2	1	1	552	\$220.00	\$110.00	45 debriefing area	maybe
headwall unit	3	0	3	5520	1,656.00			
copy machine/3d/printer	1	1	0	\$3,072.00	3,072.00		reception area, depends on location	Yes
contingency	1	0	1	67,500.00	14,631.85	67,500.00	misc and for shipping installation etc.	
High fidelity simulator	1	0	1				operational expense	
Simulation & Exam Computers & Screens	1	0	1				included in previous quote	
Adult ACS Manikin	1	0	1				operational expense	
ACS manikin warranty	1	1	0	11,000.00	11,000.00			
SimPad ACS Manikin	1	1	0				operational expense	
Child ACS Manikin	1	1	0	3,600.00	3,600.00			
Child ACS Manikin warranty	1	0	1	9,000.00	9,000.00			
SimPad Child ACS Manikin	1	0	1	3,600.00	3,600.00			
Cameras for Simulation & Exam Rooms	1	0	1				included in previous AV quote	
Microphones	1	0	1				included in previous AV quote	
LED Screens & Equipment	1	0	1	700.00				
Recording System- Simulation 2 Exam Rooms	2	0	2					
Inclusion Head	1	0	1	1,850.00	1,850.00			
Heavy Simulator	1	1	0	90,000.00	90,000.00			
General Line Trainer	1	0	1	3,099.00	3,099.00			
UP Replacement Tissue	1	1	0	1,649.00		1,850.00	Purchased with restricted funds	Yes
UP/Infidural Training Package	1	0	1	1,850.00	1,850.00		Replacement tissue \$1649, approx 1000 sticks/kvdc before replacement	Yes
Vascular Access Child Package	1	0	1	3,639.00	3,639.00		Replacement tissue \$895, supply cost: UP kit?	Yes- 4
Ultrasound Trainer	1	0	1	7,537.00	7,537.00		operational expense	
exam tables	0	0	5	1,420.00		3,639.00	fast module only, additional modules are available	
mpo stand	0	0	0	350.00				
cabinet	0	0	0	200.00			priced with construction	
stools	0	0	0	65.00				
glove dispenser	0	0	0	830.00				
Exam Room Diagnostic sets	0	0	0					
Contingency	1	0	1		4,654.30	4,654.30	misc and for shipping, installation, etc.	Exam table and diagnostic set
<b>Total For Simulation Center</b>					<b>\$ 692,819.15</b>	<b>\$ 405,051.15</b>		

Exclusion: use of SIMH not to be included in charge to EMU  
 Laproscopic Simulator 1 1 0 5 89,950.00 \$ 89,950.00 \$ Modules are approx 15,000/price  
 Yes- Lap Mentor

## Exhibit C – Description of Leased Services

Simulation Center

Exhibit C - Labor

Provided by FTEs in Simulation/Cadaver Cost Center

Job Description	Job Code	Productive		Wage/Hour	Wage costs	Benefit Add on	Total Costs	Comments
		Per Week	FTE (includesPTO)					
Clinical Coordinator for Surgical MLPs	JR01834	17.5	0.5	\$ 96.32	\$ 100,196.88	\$ 27,053.16	\$ 127,250.04	Data Protected for existing employees
Simulation Coordinator	JR01953	35	1	\$ 40.80	\$ 84,884.40	\$ 22,918.79	\$ 107,803.19	Data Protected for existing employees
Sim Tech/Admin		35	1	\$ 23.77	\$ 49,453.49	\$ 13,352.44	\$ 62,805.93	Incremental
Sim Tech		17.5	0.5	\$ 23.77	\$ 24,726.74	\$ 6,676.22	\$ 31,402.96	contingent
Other				\$ -	\$ -	\$ -	\$ -	
Cost Center Total			3	\$ 41.54	\$ 259,261.51	\$ 70,000.61	\$ 329,262.11	
					Benefit Assump	0.27	0.71	
					Percent Non Incremental			
Provided by FTEs from other SIMHS Cost Centers								
Job Description	Job Code	Hours/Week	FTE	Wage/Hour	Wage costs	Benefit Add on	Total Costs	
ES Services		0	0	\$ -	\$ -	\$ -	\$ -	Note - Housekeeping is part of the base usage cost
Biomed				\$ -	\$ -	\$ -	\$ -	Note - Biomed is part of the base usage costs
				\$ -	\$ -	\$ -	\$ -	because it is a once every 6 month review,
				\$ -	\$ -	\$ -	\$ -	they may also use " with repairs but parts
				\$ -	\$ -	\$ -	\$ -	would be charged to our department
				\$ -	\$ -	\$ -	\$ -	Incremental
				\$ -	\$ -	\$ -	\$ -	Incremental
Total From Other CGs		0	0	\$ -	\$ -	\$ 0.27	\$ -	
					Benefit Assump			
					Percent Non Incremental			
Total for Sim Center			3		\$ 259,261.51		\$ 329,262.11	

**Exhibit D – Tenant's Contribution**

Simulation Center

**Exhibit D - Contribution**

Exhibit D - Simulation

<u>Simulation Center (Education Ctr 2nd floor)</u>		<u>Estimated Costs</u>	<u>Comments</u>
Construction		\$ 570,000.00	Per Bids
MEP		\$ 318,000.00	Per Bids
A/MEP Design Fees		\$ 71,000.00	Per Bids
Equipment		\$ 405,051.15	Per estimates
Total		<u>\$ 1,364,051.15</u>	
EMU Share	30%	\$ 409,215.35	
SJMH Share	70%	\$ 954,835.81	

## Exhibit E – Parking Areas

Lot U – Students

Lot O – Faculty

