

January 8, 2013

ITEM 158-1008-R0113

Authorization to Execute a 10-year Commercial Lease for the UC Market and The Bookstore; The University of Montana - Missoula

THAT

The Board of Regents of Higher Education authorizes the ten-year lease between the UC Market and The Bookstore at The University of Montana – Missoula, allowing them to continue operating a college bookstore and convenience store with integrated espresso bar utilizing 32,551 square feet of the University Center, also known as UM’s Student Union Building.

EXPLANATION

The Bookstore and UC Market have been University Center business partners for over 40 years. Founded in 1921, The Bookstore is a local, independent, student and faculty governed university store with multiple departments that fulfill the diverse needs of campus. Departments within the Bookstore include The Griz Shop offering a selection of officially licensed University of Montana clothing and accessories; the Montana Shop sells Montana made and inspired products; Fact and Fiction lives in the tradition of local independent bookstores and specializes in local authors; the Art Materials Department is staffed by working artists who specialize in selecting professional art materials needed by faculty and staff projects; the Technology Department provides cutting-edge educational hardware, software, and accessories; and the Course Materials Department offers necessary reference and text books at competitive prices.

The UC Market provides food products and multiple lines of beverages including an Espresso bar as well as a small line of sundry items. Hours of operation are in conjunction with student schedules.

The University Center space comprises the total lease agreement that includes the following square footages: Bookstore Basement Receiving; 4,144.287, Bookstore Main Floor; 16,744.092, Bookstore 2nd Floor; 8,003.551 and UC Market space of 3,659.199 for a total of 32,551.129 square feet.

Rent will be \$371,520 payable in monthly installments of \$30,960. The annual rent is \$11.7514 per square foot per year, or \$382,520 annually less \$11,000 per year for ten years in consideration for the transfer from Tenant to Landlord of all rights, title, and interest in the montanagrizzlies.com domain name and all associated trademarks or domain names as described in the Assignment attached as Exhibit “C”. Tenant shall be entitled to a royalty-free license to use the ‘grizshop.com’ domain name as defined in the licensing agreement attached as Exhibit “D”. The annual rent shall increase by 2% or an annual amount equal to the CPI.

ATTACHMENTS

- Attachment 1 - University Center Business Partner Lease Agreement
- Attachment 2 - Exhibit A, General Site Plan
- Attachment 3 - Exhibit B, Floor Plan of Leased Premises
- Attachment 4 - Exhibit C, Assignment
- Attachment 5 - Exhibit D, Licensing Agreement