

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 3
DATE:
October 24, 2008

RECOMMENDATION

**EAGLE CREST CONFERENCE CENTER AND GOLF CLUB
BOARD OF REGENTS RESOLUTION**

ACTION REQUESTED

It is recommended that the Board of Regents approve the attached resolution that authorizes President Susan W. Martin to take such action and execute such documents reasonably necessary to terminate the July 1, 2001 Management Agreement (the "Management Agreement") and the related commercial leases between the University and Eagle Crest Management Corporation, and to enter into a management agreement with the new nonprofit corporation, Eagle Administrative Services, to be incorporated. The resolution further authorizes Board Secretary Jacqueline Kurtz to execute on behalf of the Board Articles of Incorporation for Eagle Administrative Services and appoint on behalf of the Board five Directors to the Eagle Administrative Services Board of Directors.

STAFF SUMMARY

Eagle Crest Management Corporation (ECMC), a subsidiary of The Eastern Michigan University Foundation (EMUF), manages Eastern Michigan University's (EMU) golf club and conference center pursuant to the Management Agreement. Recent changes in market conditions have negatively impacted the golf club and conference facility industry statewide, resulting in the need for the creation of better oversight, clear delineation of responsibilities and authority, and additional resources to be devoted to the maintenance and management of EMU's golf club and conference center. As EMUF's continued involvement in the management of the golf club and conference center will likely dilute its focus and divert limited resources away from its development goals, EMU, EMUF and ECMC are mutually agreeing to terminate the Management Agreement and related commercial leases. By Resolution dated October 3, 2008, EMUF Board of Trustees authorized its Executive Committee to act on behalf of the Foundation to facilitate the mutual termination of the Management Agreement. Upon mutual termination of the Management Agreement, EMU will incorporate and enter into an agreement with the nonprofit corporation Eagle Administrative Services that will be devoted to the maintenance and management of the golf club and conference center.

FISCAL IMPLICATIONS

The termination of the Management Agreement between EMU and ECMC, and the incorporation and signing of a management agreement with the nonprofit corporation,

Eagle Administrative Services, will not have a significant impact on current revenues from these facilities. However, it is anticipated that the new structural and contractual arrangement for management of the golf club and conference center will improve management and operations and result in enhanced revenues.

RECOMMENDATION

The proposed Board resolution has been reviewed and is recommended for Board adoption.

University Officer

Date

**RESOLUTION OF THE BOARD OF REGENTS OF
EASTERN MICHIGAN UNIVERSITY
EAGLE CREST CONFERENCE CENTER AND GOLF CLUB**

WHEREAS the Eastern Michigan University Foundation (“EMUF” or the “Foundation”) has primary responsibility for planning and managing the Eastern Michigan University (the “University”) development efforts and in order for the development goals to be achieved, this effort must be the Foundation’s exclusive focus.

WHEREAS, EMUF, through its subsidiary Eagle Crest Management Corporation (“ECMC”), currently manages the University’s golf club and conference center (the “Assets”) pursuant to a management agreement dated July 1, 2001 (the “Management Agreement”);

WHEREAS, the recent significant changes in market conditions have negatively impacted the golf club and conference facility industry statewide, resulting in the need for the creation of better oversight, clear delineation of responsibilities and authority, and additional resources to be devoted to the maintenance and management of the Assets in order to maximize their full potential;

WHEREAS, EMUF’s continued involvement in the management of the Assets is likely to dilute its focus and divert its limited resources away from its development goals;

WHEREAS, by Resolution dated October 3, 2008, the EMUF Board of Trustees authorized its Executive Committee to act on behalf of the Foundation to facilitate the mutual termination of the Management Agreement;

NOW THEREFORE, the University Board of Regents authorizes the University’s President, Susan W. Martin, to take such action and execute such documents as shall be reasonably necessary to (i) terminate the Management Agreement between the University and ECMC; (ii) terminate that certain Commercial Lease, dated December 14, 1994, as amended by that certain Addendum to Commercial Lease, dated September 21, 1999, and as further amended by that certain Addendum II to Commercial Lease, dated July 1, 2001, between the University, as landlord, and ECMC, as tenant; and (iii) to enter into a management agreement with the new nonprofit corporation, Eagle Administrative Services (“EAS”), to be incorporated;

FURTHER, the University Board of Regents authorizes the University’s Secretary to the Board of Regents, Jacqueline Kurtz, to execute on behalf of the University Board of Regents Articles of Incorporation for the incorporation of EAS, which will be devoted to the maintenance and management of the Assets in order to maximize their full potential, and further authorizes Board Secretary Kurtz, on behalf of the University Board of Regents, to appoint Regent Roy Wilbanks, Regent James

Stapleton, Regent Floyd Clack, the University's Chief Financial Officer and the University's Associate Vice President for Facilities to the Board of Directors of EAS.

[Signature Page Follows.]

I, Jacqueline Kurtz, Secretary to the Board of Regents of Eastern Michigan University, hereby certify that the foregoing resolution was duly approved by the Board of Regents of Eastern Michigan University at a formal meeting at which a quorum was present on the 24th day of October 2008.

Date: _____, 2008

Jacqueline Kurtz, Secretary
Eastern Michigan University
Board of Regents