Agendum
Oakland University
Board of Trustees
September 28, 2010

SEVENTH AMENDMENT TO LEASE OF MEADOW BROOK MUSIC FESTIVAL PREMISES BETWEEN PALACE SPORTS AND ENTERTAINMENT AND OAKLAND UNIVERSITY

A Recommendation

- 1. <u>Division and Department:</u> Finance and Administration
- 2. <u>Introduction:</u> Palace Sports and Entertainment (PSE) has operated Meadow Brook Music Festival (MBMF) since the 1997 season, under a lease agreement with a ten-year period beginning with the 1997 season through the 2006 season, and a five-year extension option through September 30, 2011. In August 2010, PSE contacted Oakland University (University) and proposed a further extension to the lease term for the period through September 30, 2013 with an option for PSE to extend the lease term for an additional one (1) year through September 30, 2014. All other terms and conditions remain the same.

The Seventh Amendment to the Lease of MBMF Premises between PSE and the University has been reviewed and approved by the Office of Legal Affairs, is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

- 3. <u>Previous Board Action:</u> At the December 12, 1996 Board of Trustees (Board) Formal Session, the Board approved a ten-year lease agreement between the University and PSE for the operation of MBMF, with an option to extend the lease term for an additional five-years.
- **4.** <u>Budget Implications:</u> The lease agreement calls for an annual rent payment of \$135,000, plus six percent of gross box office revenue in excess of \$3,500,000, in each Performance Season. All terms and conditions remain in full force and effect throughout the extended lease agreement.
- 5. <u>Educational Implications</u>: None.
- 6. Personnel Implications: None.
- 7. <u>University Reviews/Approvals:</u> The Seventh Amendment to the Lease was developed by PSE and the Budget Manager for Finance and Administration, and was reviewed and approved by the Vice President for Finance and Administration, and the President.

8. Recommendation:

RESOLVED, that the Board of Trustees approves the Seventh Amendment to Lease of Meadow Brook Music Festival Premises.

Seventh Amendment to Lease of Meadow Brook Music Festival Premises Between Palace Sports and Entertainment and Oakland University Oakland University Board of Trustees September 28, 2010 Page 2

9. Attachments: None.

Submitted to the President on _____, 2010 by

John W. Beaghan

Vice President for Finance and Administration and Treasurer to the Board of Trustees

Recommended on 2, 2010 to the Board for approval by

Gary D. Russi