

CONSORTIUM AGREEMENT
JAPAN CENTER FOR MICHIGAN UNIVERSITIES

Adopted October 3, 2014

This Consortium Agreement (hereafter, the “Agreement”) establishes the framework for cooperation among the 15 State-supported universities in Michigan (hereafter, the “Member Institutions”) in the consortium (hereafter, the “Consortium”) whose purpose is the development and operation of the Japan Center for Michigan Universities (hereafter, “JCMU”). This Agreement supersedes and replaces the Memorandum of Agreement adopted by the Member Institutions in October 1995.

Participation in the Consortium is voluntary. The terms of this Agreement shall establish the responsibilities of the Member Institutions with respect to the operation of the Consortium. The Member Institutions have no obligation to the JCMU, or to one another regarding the JCMU, except as set forth herein or in any separate agreement by which a Member Institution may undertake to support the JCMU.

For the purposes of this Agreement, the JCMU, located in Hikone, Shiga Prefecture, Japan, will consist of four major elements:

- I. Academic courses for university credit in Japan area studies and Japanese language for students from the Member Institutions, as well as for students recruited from other institutions of higher education in the United States.
- II. English language and American culture programs for Japanese citizens.
- III. Workshops, seminars and short courses for American and Japanese professionals from diverse fields.
- IV. A site from which invited individuals may engage in research activities or professional development in support of the JCMU’s Japan Studies program.

In addition to the four major elements, the JCMU may also sponsor short-term university-level programs of various kinds.

A. Terms and Conditions of Consortium Membership

1. Not less frequently than 45 days after the beginning of each term (including the JCMU’s summer term and May term), each Member Institution will forward to Michigan State University (“MSU”), as the administrative and fiscal agent for the JCMU, the program fees (which include tuition for the applicable JCMU program, and related costs for excursions, course materials and health insurance) and housing fees (for JCMU apartments or home stay) billed by the JCMU to the Member Institution for each of that Member Institution’s students participating in the JCMU if:

- a. the student was nominated to an applicable program of the JCMU for that term by that Member Institution;
 - b. the student was selected by the Consortium for admission to the applicable program of the JCMU; and
 - c. the student travels to Japan and enrolls in the applicable program of the JCMU for that term.
2. Each Member Institution reserves the right to decide on the number and qualifications of those students it nominates to each JCMU program.
 3. Each Member Institution will advertise the JCMU on its own campus and recruit participants for each JCMU program from its students.
 4. Each Member Institution is responsible for awarding financial aid, consistent with its normal practices, to those of its students who are admitted to the JCMU. The award of financial aid to each student participating in the JCMU is the responsibility of the Member Institution which nominated that student, except insofar as funds are raised by MSU or another Member Institution on behalf of the Consortium for the purpose of offering scholarships through the Consortium to JCMU participants.
 5. Students attending the Member Institutions will be granted preference for admission to JCMU and for financial assistance to participate in the program. All interested students of Member Institutions, not just specialists or majors in the area of Japanese studies, will be considered for admission to the JCMU.

B. Governance and Operation of the Japan Center for Michigan Universities

1. Overall authority for the JCMU is vested in the Presidents/Chancellors of the 15 State-supported universities in Michigan, or their designees.
2. The Member Institutions hereby authorize MSU to serve as the Consortium's administrative and fiscal agent for all JCMU activities.
3. Official Representatives
 - a. Each Member Institution will appoint an Official Representative to the Consortium and support him/her sufficiently to enable his/her participation in Consortium activities.
 - b. The Official Representatives of the Member Institutions will establish an Executive Committee to develop JCMU policies and oversee their implementation on behalf of the Consortium.
 - c. The Official Representatives shall meet at least twice per year, and more often as necessary.

- d. An Official Representative may participate in any meeting (either regular or special) by a conference telephone or by other similar communications equipment through which all persons participating in the meeting may communicate with the other participants. Participation in a meeting by a conference telephone or by other similar communications equipment constitutes presence in person at the meeting. An Official Representative entitled to vote at any meeting or to express consent or dissent without a meeting may authorize another Official Representative to act for the Member Institution by proxy. An Official Representative may waive notice of time, place and purpose of any meeting either before or after any meeting is held.
- e. Any action required or permitted by this Agreement to be taken at any meeting of the Official Representatives may be taken without a meeting, without prior notice and without a vote if written consents setting forth the action taken are signed by a majority of the Official Representatives who are entitled to vote on the action.

4. Executive Committee

- a. Voting members of the Executive Committee will include three Official Representatives elected by the Official Representatives, two members selected by the Academic Affairs Officers Committee of the Presidents Council of State Universities of Michigan (“PCSUM”), and one member designated by MSU’s Provost. The Executive Committee may also include the Executive Director of the PCSUM, MSU’s Dean of International Studies and Programs, a JCMU alumnus, and a representative of the Japan Business Society of Detroit as non-voting members. No Member Institution may have more than one voting member on the Executive Committee.
- b. Members of the Executive Committee elected by the Official Representatives shall serve two-year terms. Terms of such members shall be staggered. Elections shall occur at the fall meeting (which will typically be held in October) of the Official Representatives each year with terms of office commencing when election outcomes are determined. Individuals may be re-elected for an unlimited number of terms.
- c. The voting members of the Executive Committee shall elect its Chair from among its voting members no later than December in the year in which a vacancy occurs. The Chair will convene meetings of all Official Representatives at least annually and more often as necessary, and will provide a written record of the proceedings of the Executive Committee to all Official Representatives. Individuals who serve as Chair may be re-elected for an unlimited number of terms.

- d. An Executive Committee member may participate in any meeting (either regular or special) by a conference telephone or by other similar communications equipment through which all persons participating in the meeting may communicate with the other participants. Participation in a meeting by a conference telephone or by other similar communications equipment constitutes presence in person at the meeting. An Executive Committee member entitled to vote at any meeting or to express consent or dissent without a meeting may authorize another Executive Committee member to act for the member by proxy. An Executive Committee member may waive notice of time, place and purpose of any meeting either before or after any meeting is held.
 - e. Any action required or permitted by this Agreement to be taken at any meeting of the Executive Committee members may be taken without a meeting, without prior notice and without a vote if written consents setting forth the action taken are signed by a majority of the Executive Committee members who are entitled to vote on the action.
 - f. The Executive Committee, with the input of the Official Representatives, shall develop appropriate written policies and procedures to allow implementation of the JCMU curricular goals by the JCMU resident director.
 - g. JCMU administrative staff may be called upon to report in person or in writing to the Executive Committee regarding JCMU finances, programs and related activities. The Executive Committee shall report proposals affecting policies and policy implementation in writing to the Official Representatives in a timely fashion to permit their review thereof. At a minimum, one month shall be provided for review and written comment by the Official Representatives. Such commentary shall be reviewed by the Executive Committee before it takes action on the proposal.
5. The Presidents/Chancellors hereby delegate responsibility for the management of the JCMU to the Official Representatives, and through the Official Representatives to the Executive Committee.
6. The JCMU Program Director
- a. MSU shall designate the JCMU Program Director (the “Program Director”), who shall be responsible for the daily operation of the JCMU and shall have the authority to administer JCMU programs and activities. The Program Director shall consult regularly with the Executive Committee through its Chair.
 - b. The Program Director shall provide regular reports on JCMU operations and finances to the Executive Committee, which the Executive Committee shall review at least annually and more frequently by request of the Chair or the Executive Committee.

- c. Following consultation with a search committee composed of an Executive Committee member, an Official Representative, the Program Director and MSU's Dean of International Studies and Programs, the Program Director shall have authority to select the JCMU's resident director (the "Resident Director"). MSU may designate an interim Resident Director without consultation with the search committee.
- d. At least once a year, the Program Director shall conduct an evaluation of the JCMU Resident Director's performance. The evaluation process shall include providing the Executive Committee information on the Resident Director's performance and an opportunity for comment.
- e. The Program Director, in consultation with MSU's Dean of International Studies and Programs, shall have authority over employment matters relating to the Resident Director, including termination, discipline and compensation. Insofar as practicable, the Program Director shall consult with the Executive Committee on these matters before acting on any of them.

7. The Resident Director

- a. The Resident Director shall reside at the JCMU facilities located in Hikone, Japan (the "Hikone Center") and oversee JCMU's daily operations. The Resident Director shall be responsible for JCMU's academic-year and summer programs of Japanese language and culture, the English language program at the Hikone Center, special academic programs, career-culture hybrid programs, May programs, student internships and community involvement and workshops, seminars and short courses for Japanese and U.S. professionals.
- b. The Resident Director will represent the Consortium and JCMU in all day-to-day interactions with Shiga Prefecture and work with Shiga Intercultural Association for Globalization to cultivate and sustain existing home stay families and internship opportunities for students participating in JCMU programs.
- c. The Resident Director will serve as the principal administrative contact with partner institutions in Japan regarding new program development.
- d. The Resident Director shall recruit, manage, supervise and evaluate, in accordance with MSU personnel procedures and applicable local laws and regulations, all JCMU faculty and staff members who work at the Hikone Center.
- e. The Resident Director shall be responsible for such other duties as assigned by the Program Director or Executive Committee.

C. Administration of Melville Endowed Scholarship Fund

1. Establishment and Purpose of Fund

- a. To expand the scope of student participation in the JCMU, for its own benefit and in its capacity as administrative and fiscal agent for the Consortium, MSU has obtained gifts with which it shall establish an endowment, which shall be known as the JCMU Harold Melville Endowed Fund (the “Fund”). Except for the rights of MSU or its successor under section C.5., no Member Institution shall have any right, title or claim to the Fund.
- b. The purpose of the Fund shall be to provide scholarships for students from the Member Institutions for the purpose of allowing such students to participate in the JCMU program in Hikone, Shiga Prefecture, Japan.
- c. If the purpose described in section C.1.b becomes obsolete, inappropriate or impracticable, MSU’s Provost may modify such purpose, after consultation by MSU’s Provost with the Executive Committee, to an alternative purpose consistent, to the extent possible, with the original purpose of the Fund. The advice of the Executive Committee shall carry important weight, but MSU’s Provost shall have the authority to make the final decision regarding how expendable amounts from the Fund shall be used in these circumstances.

2. Administration of Fund

- a. MSU shall hold, administer and invest the Fund in the same manner, and under the same policies, as its other endowment funds. The other Member Institutions waive and release MSU from liability for any claims they may have in connection with the administration and investment of the Fund.
- b. The endowment guidelines for the Fund are attached as Exhibit A.
- c. Amounts that may be expended each MSU fiscal year from the Fund shall be determined in accordance with the endowment spending policy of MSU’s Board of Trustees and applicable law.
- d. Expendable amounts that have not been disbursed at the end of each MSU fiscal year may, in MSU’s discretion, either (i) be held to be spent in subsequent years or (ii) be returned to the Fund as additional corpus.
- e. MSU may assess reasonable fees against the Fund consistent with its standard policies for its endowment funds to offset the costs of stewardship, including fundraising, relating to its endowments.

3. Scholarship Awards and Fund Disbursements

- a. The Executive Committee shall adopt policies, after consultation with the Official Representatives, regarding eligibility for recipients of scholarships from the Fund, the application and selection process for recipients of scholarships from the Fund, and the allocation of scholarships among students from the Member Institutions.
 - b. The Executive Committee shall notify the Program Director of the Executive Committee's selection of proposed scholarship recipients and the Member Institutions that each scholarship recipient attends. MSU shall disburse amounts from the Fund to the Member Institution that the scholarship recipient attends and the corresponding Member Institution shall be responsible for allocating the scholarship funds for the benefit of the scholarship recipient; provided, that, if the scholarship recipient attends MSU, MSU may allocate the scholarship funds directly to the scholarship recipient.
4. Withdrawal of Consortium Members
- a. If a Member Institution withdraws from the Consortium, (i) the withdrawing Member Institution shall not be entitled to receive any amounts from the Fund after the effective date of the withdrawal and (ii) students attending the withdrawing Member Institution shall not be eligible for scholarships from the Fund after the effective date of the withdrawal.
 - b. Notwithstanding the foregoing, a Member Institution's withdrawal shall not affect the disbursement of scholarship funds previously designated to be used for the benefit of students of the withdrawing Member Institution during the academic term of the JCMU program in progress at the time the Member Institution gives notice of its withdrawal.
 - c. If MSU withdraws from the Consortium, but the Consortium continues to exist, effective upon its withdrawal, MSU shall transfer the balance of the Fund to the Member Institution or other organization described in section 501(c)(3) or Section 115 of the Internal Revenue Code that becomes the administrative and fiscal agent for the Consortium to maintain and use the Fund in accordance with its purpose.
5. Dissolution of Consortium/JCMU
- a. If the Consortium and the JCMU are dissolved or cease to exist, MSU (or its successor as administrative and fiscal agent) shall retain full ownership and control of the Fund to be used for such purpose or purposes as MSU or its successors may determine, provided that such purpose or purposes shall be as closely related to the original purpose of the Fund as possible.

D. Modification of the Agreement

1. The Executive Committee may propose changes to this Agreement to the Member Institutions at any scheduled meeting of the Official Representatives, provided all Member Institutions receive notice of the proposed changes at least one month prior to the meeting at which the proposed change will be discussed.
2. A vote by two-thirds of the Official Representatives shall be required to adopt a proposed change.

E. Withdrawal

Any Member Institution may withdraw from the Consortium at its own discretion. In order to minimize disruption to the JCMU, written notification to the Executive Committee of the intention to withdraw must be received not later than November 1 of the year preceding the effective date of withdrawal, which effective date shall be no earlier than the subsequent JCMU fall term. Withdrawal from the Consortium does not release any Member Institution from, or otherwise affect, any obligation or commitment to the Consortium or otherwise relating to the JCMU made by the Member Institution prior to the effective date of its withdrawal.

F. Miscellaneous

1. Nothing in this Agreement shall be construed as creating or giving rise to any rights in third parties or persons other than the parties to this Agreement.
2. No party to this Agreement may subcontract, assign or transfer this Agreement without the prior written consent of the other parties.