

**MASTER AGREEMENT
BY AND BETWEEN
GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT
AND
FOUNDATION FOR GROSSMONT AND CUYAMACA COLLEGES**

THIS AGREEMENT is made and entered into this first day of July 2011, by and between the GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT, hereinafter referred to as "District," and the FOUNDATION FOR GROSSMONT AND CUYAMACA COLLEGES, hereinafter referred to as "Foundation," an auxiliary organization established and operated as an integral part of the District.

I. RECOGNITION OF AUXILIARY ORGANIZATION

The Foundation for Grossmont and Cuyamaca Colleges, a nonprofit public benefit corporation, is hereby authorized to operate as an auxiliary organization of the Grossmont-Cuyamaca Community College District pursuant to the provisions of Article 6 (commencing with §72670) of Chapter 6 of Part 45 of the Education Code, and with the express authorization of the Board of Trustees of the District.

II. PURPOSE

The purpose of this agreement is to establish the parameters of the relationship between the District and the Foundation. The intent of the Foundation is to provide benefits, including financial resources, to the Colleges that have a fair market value far surpassing the value of any administrative services and facilities provided by the Colleges to the Foundation under this agreement.

III. AREAS OF SERVICE

The Foundation may administer functions or activities defined in Subchapter 4.5, Title 5, of the California Code of Regulations. Other services may be provided if first approved by the Board of Governors of the California Community Colleges.

In carrying out these functions, the Foundation may receive funds and dispense funds received to promote the general welfare of the District and the Colleges, including, but not limited to, (1) supplementing the total program and activities of the District and Colleges; (2) assisting in the promotion of educational services and facilities; and (3) aiding the Colleges in fulfilling their role of providing a comprehensive program of service and education to the community.

IV. REPRESENTATION OF DISTRICT ON FOUNDATION BOARD OF DIRECTORS

The District Chancellor and the Presidents of Grossmont College and Cuyamaca College

shall serve, with full voting rights, as ex-officio members of the Board of Directors of the Foundation.

V. STAFF

The Chief Executive Officer (CEO) of the Foundation shall be an employee of the District or the Grossmont-Cuyamaca District Auxiliary Organization (“Auxiliary”), whichever structure is in the best interest of the District. The CEO shall be selected by the Chancellor in consultation with the Chair of the Foundation, and other members of the Foundation board as appropriate, and shall report to the Chancellor and Chair of the Foundation.

Other staff assigned to the Foundation shall report to the CEO (or his/her designee) and shall be employees of the District or the Auxiliary, whichever structure is in the best interest of the District.

VI. PRIORITIES FOR FUNDRAISING

The priorities for the Foundation’s fundraising efforts on behalf of both colleges shall be determined by the Chancellor’s Cabinet, and the Associate Vice Chancellor for Advancement and Communications (or similar title), in collaboration with the members of the Foundation’s Board of Directors.

VII. REVIEW OF FINANCIAL DOCUMENTS

The operating budget of the Foundation shall be subject to ratification by the Governing Board of the Grossmont-Cuyamaca Community College District at the beginning of the Foundation’s fiscal year.

The annual audit of the Foundation shall be provided to the Governing Board of the Grossmont-Cuyamaca Community College District for information purposes.

VIII. USE OF FACILITIES AND PROPERTY

The Foundation may occupy, operate, and use College facilities and property separately or jointly with the College as identified by agreement with the District. Any such agreement shall state the charges for rental, if any, for Foundation use of District facilities and property only for those services and functions that are consistent with the policies, rules, and regulation which have been or may be adopted by the Board of Trustees of the Grossmont-Cuyamaca Community College District. The right to use any of the College facilities or equipment included in this Agreement or amendments shall cease upon written notice by the District Chancellor, that the College needs the facilities.

IX. REIMBURSEMENT FOR SERVICES AND FACILITIES

The Foundation shall, by prior agreement, reimburse the appropriate District budget for some or all expenditures incurred by the District as a result of the activities of the Foundation.

The District shall invoice the Foundation for such expenditures, indicating items charged and method of determining costs. The full cost of District employees on loan or providing professional services to the Foundation shall be reimbursed by the Foundation, by mutual agreement. Reimbursement by the Foundation may be in the form of non-monetary benefits as specified in the District's *Regulations Concerning Auxiliary Organizations*. The District Chancellor, President of Grossmont College and the President of Cuyamaca College shall serve the Foundation without compensation by the Foundation and the District shall not demand or receive reimbursement for his or her services.

The Foundation may provide services to the District for which the District shall reimburse the Foundation, by mutual agreement. Such services shall be identified in amendments to this Agreement.

Accounting and record keeping services provided to the Foundation by the District shall be reimbursed, by prior agreement, by the Foundation. The independent CPA firm retained to audit the District will also audit the Foundation, with the cost of that service paid by the Foundation.

X. COVENANT

During the term of this Agreement, the Foundation agrees to maintain its existence and to operate in accordance with Article 6 of the Education Code and with the regulations of Subchapter 4.5 of Title 5 of the California Code of Regulations, as well as the Grossmont-Cuyamaca Community College District implementing regulations, titled *Regulations Concerning Auxiliary Organizations*. Said District regulations are hereby incorporated into this Agreement as a term thereof.

XI. SIGNS, FIXTURES, AND EQUIPMENT

During the term of this Agreement, the Foundation shall have the right to place and attach fixtures, signs, and equipment in or upon facilities as authorized by the District Chancellor in writing as to the number, size, and location. Fixtures, signs, or equipment so erected, placed, or attached by the Foundation are to be removed therefrom by the Foundation upon the termination of this Agreement.

XII. RIGHT OF ENTRY

At any time, the District and its agents shall have the right to enter facilities utilized by the Foundation for the purpose of examination or supervision.

XIII. INDIRECT COSTS

If the Foundation administers an external publicly- or privately-sponsored program, it shall reimburse the District for indirect costs associated with the performance of services by the District for the Foundation relating to the sponsored project. Such reimbursement will take into consideration the District's indirect cost rate and the approved indirect cost allocation, if any, of

the program award.

XIV. DISPOSITION OF EARNINGS

Net income generated by the Foundation shall be used solely to advance the mission of the District and the Colleges. Funds that are restricted by donors to particular Colleges or programs shall be used only for those purposes. If such restrictions become infeasible or impractical, the Foundation shall attempt to contact the donor to request permission to change the restrictions. If those attempts fail, the Foundation shall redirect the funds to a purpose that most closely meets the donor's original intent. All unrestricted net income generated, shall be divided between the Colleges, on a ratio based on FTE student enrollment.

The Board of Directors may, at its discretion, authorize reasonable administrative fees on gift revenue received, insomuch as those fees are reasonable and comparable to those charged by other related non-profit entities.

The Board of Directors of the Foundation, subject to the terms and conditions of the District's *Regulations Concerning Auxiliary Organizations*, shall establish provisions for the acceptance, management and investment of gifts.

XV. DISTRIBUTION OF ASSETS UPON CESSATION

Upon cessation of operations of the Foundation under this Agreement, unless extended or renewed, the net assets of the Foundation shall be either distributed to Grossmont College, Cuyamaca College or the District, in compliance with donor restrictions (if any), or expended for the benefit of the District.

XVI. ADVANCEMENT AND COMMUNICATIONS

With respect to expenditures for advancement, communications or other similar activities that would serve to augment District appropriations for that same purpose, the Foundation may expend funds in such amount and for such purposes as are approved by the Board of Directors of the Foundation.

XVII. THIRD PARTY AGREEMENTS BY FOUNDATION

The Foundation shall not enter into any contract that would obligate District facilities or equipment without the prior approval of the District.

XVIII. INSURANCE INDEMNIFICATION AND RESTORATION

The Foundation and its directors, officers, and agents shall be included in the District's insurance policies for all of its regular functions, including liability for actions, covered perils, errors and omissions, and similar coverage's; workers' compensation and employee fidelity bonds are specifically excluded under this agreement. When special events are sponsored by the Foundation, the District may require separate insurance coverage to be provided by the

Foundation, in a form acceptable to the District's Risk Management function and at the expense of the Foundation. Losses incurred by the foundation because of deductibles or exclusions on insurance provided by the District shall be borne by the Foundation.

The Foundation agrees to indemnify, defend, and save harmless the District, its officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred by the District, its officers, agents, and employees, caused by, arising out of, or in any way connected with the operation of the Foundation or the use of District facilities by the Foundation in connection with this Agreement.

The District agrees to indemnify, defend, and save harmless the Foundation, its officers, agents, and employees from any and all loss, damage, or liability that may be suffered or caused by, arising out of, or in any way connected with the operation of the District or Colleges in connection with this agreement.

Upon termination of this Agreement, the District shall have the option to require the Foundation, at the Foundation's own expense and risk, to restore all facilities utilized by the Foundation as nearly as possible to the condition existing prior to the commencement of use of the facilities by the Foundation. If the Foundation shall fail to do so within ninety (90) days after the District exercises said option, the District may restore the property at the expense of the Foundation and all costs and expenses of such removal or restoration shall be paid by the Foundation upon the demand of the District. The District shall have the right to exercise this option within thirty (30) days after the expiration of this Agreement, but not thereafter.

XIX. REAL PROPERTY

The Foundation shall not enter into any transaction concerning real property without the prior approval of the Chancellor.

XX. NON-ASSIGNABILITY

This Agreement is not assignable by the Foundation, either in whole or in part, nor shall the Foundation permit anyone else to use the described facilities or any part thereof without written permission of the District Chancellor.

XXI. TERM OF AGREEMENT

This Agreement takes effect on July 1 of each year, and may be renewed annually.

This Agreement may be terminated by either party giving ninety (90) days' written notice, subject to the provisions of this Agreement entitled "Distribution of Assets Upon Cessation." The Foundation must remain in good standing with the District. If the Foundation is removed from the list of auxiliary organizations in good standing, this Agreement will immediately terminate, and the Foundation must terminate any contracts with third parties and comply with the provisions of this Agreement entitled "Distribution of Assets Upon Cessation."

XXII. NOTICE

All notices required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and received by the Foundation or the District Chancellor. Notices to the Foundation shall be addressed as follows:

Chairperson, Board of Directors
Foundation for Grossmont and Cuyamaca Colleges
8800 Grossmont College Drive
EI Cajon, CA 92020-1799

Notices to the District shall be addressed as follows:

Chancellor
Grossmont-Cuyamaca Community College District
8800 Grossmont College Drive
EI Cajon, CA 92020-1799

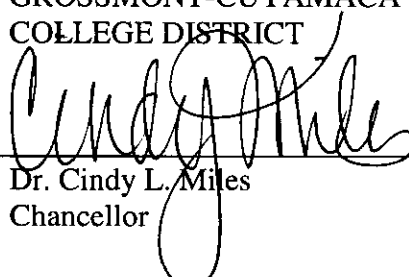
XXIII. ACTIVITIES REPORT

The Foundation shall provide, no later than September 30 of each year, a report of all functions and activities maintained by the Foundation during the preceding school year. This report will include a full accounting of the costs of the facilities and services provided to the Foundation by the District and the value of the benefits provided by the Foundation to fully compensate the District as required by Title V.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate by the parties hereto as of the date first above written.

GROSSMONT-CUYAMACA COMMUNITY
COLLEGE DISTRICT

By



Dr. Cindy L. Miles
Chancellor

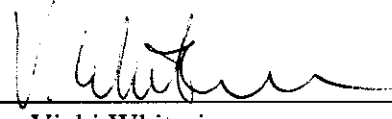
FOUNDATION FOR GROSSMONT AND
CUYAMACA COLLEGES

By



Sharon Bullard
Co-Chair

By

A handwritten signature in black ink, appearing to read 'V. Whitmire', written over a horizontal line.

Vicki Whitmire
Co-Chair