

MASTER AGREEMENT
BY AND BETWEEN THE
REDWOODS COMMUNITY COLLEGE DISTRICT
AND
THE COLLEGE OF THE REDWOODS FOUNDATION

This agreement is made and entered into this first day of August, 2006, by and between the Redwoods Community College District, hereinafter referred to as "District," and the College of the Redwoods' Foundation, hereinafter referred to as "Foundation," an auxiliary organization established and operated as an integral part of the District.

I
PURPOSE

Administration by the Foundation of the functions and activities described herein, instead of administration by and through the District, is deemed to be more effective in accomplishing those functions and activities than would be possible under usual governmental budgetary, purchasing, and other fiscal procedures. Further, the District expects to benefit from the experience and expertise of the Foundation. Annually, the Foundation shall report to the District Board of Trustees regarding its progress in achieving the purpose of the auxiliary organization.

II
AREAS OF SERVICE

The Foundation, through amendments to this agreement, may administer those functions or activities defined in Section 59259 of Title V, California Code of Regulations, which are mutually agreed upon by the parties.

III
LIMITATION OF AUTHORITY AND RESPONSIBILITY
OF AUXILIARY ORGANIZATIONS
(Title V California Code of Regulations, Section 52957 (j) (3))

The Foundation shall not offer courses for which state funding is received.

All services, programs, and activities that may be undertaken by the Foundation shall be maintained for the general benefit of the educational program of the district. Upon mutual agreement of the parties, the Foundation may assume any of the services, programs, and activities listed in Implementing Regulation 1.2 in order to:

1. Provide the fiscal means and the management procedures that allow the District to carry on educationally-related activities not normally funded by the State;
2. Eliminate the undue difficulty that would otherwise arise under the usual governmental budgetary, purchasing, and other fiscal controls; or,
3. Provide fiscal procedures and management systems that allow effective coordination of Foundation activities with the District in accordance with sound business practices.

4. Benefit from the experience and expertise of the Foundation.

Gifts to the District shall be accepted under the provisions of Education Code Section 72241 or 72303. Gifts to the Foundation shall be accepted as authorized by the District's implementing regulations.

In no case shall scholarship, stipend, or grants-in-aid awarded to present or former students exceed the amount necessary to cover books, school fees, and living expense, except as provided under Implementing Regulation 1.86. A record of such financial assistance shall be forwarded on a timely basis to the campus financial aid office and shall be documented on student financial aid recipient records kept in that office.

IV BOARD MEMBERSHIP

The members of this corporation shall be the persons constituting its Board of Directors, as provided in Section 9603 of the Corporations Code of the State of California. The Board of Directors of the Corporation shall consist of no less than nine (9) and no more than thirty (30) voting members.

Service on the Board will be voluntary and non-compensatory. Miscellaneous expenses may be reimbursed as stated elsewhere in the Bylaws.

V USE OF FACILITIES

The Foundation may occupy, operate, and use District facilities and property separately or jointly with the District as identified by amendments to the agreement.

In consideration of the further terms of this agreement, District shall provide the Foundation with adequate space and equipment to perform its activities. There shall be no charge to the Foundation for such space and equipment.

The Foundation shall use the facilities and property only for those services and functions that are consistent with the policies, rules, and regulations, which have been or may be adopted by the Board of Trustees of the Redwoods Community College District.

The right to use any of the District facilities or equipment included in this agreement or amendments shall cease upon written notice by the President/Superintendent that the facilities are needed for the exclusive use of the District.

VI REIMBURSEMENT FOR SERVICES AND FACILITIES

On an annual basis the District's President/Superintendent shall determine whether District costs, including employees on loan or providing professional services to the Foundation, should be reimbursed by the Foundation as identified in amendments to this agreement.

The Foundation may provide services to the District for which the District shall reimburse the Foundation. Such service areas shall be identified in amendments to this agreement.

On an annual basis the District's President/Superintendent shall determine whether the cost of any accounting and record keeping services provided by the District at the request of the Foundation should be reimbursed by the Foundation.

The independent CPA firm retained by the District shall audit the Foundation and include it in the audit for the District.

VII INDIRECT COSTS

If the Foundation administers a federally-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 federally-sponsored project. Such reimbursement will take into consideration the District's federal indirect cost rate and the approved indirect cost allocation, if any, of the federal program award.

VIII MAINTENANCE AND OPERATING EXPENSES

The District shall provide maintenance and custodial services in the same manner as it provides for its own offices. The Foundation agrees that it will keep and maintain the described facilities in a clean and orderly condition.

IX PUBLIC RELATIONS

With respect to any expenditures for public relations or other purposes which would serve to augment District appropriations for the operation of the College, the Foundation may expend funds in such amount and for such purposes as are approved by the Board of Directors of the Foundation. The Foundation shall file with the College President/Superintendent a statement of its policy on accumulation and use of public relations funds. The statement will include the policy and the procedure on solicitation of funds, source of funds, purposes for which the funds will be used, allowable expenditures, and procedures of control.

X DISPENSATION OF EARNINGS

Income generated by the Foundation in excess of costs and provisions for equipment, maintenance, reserves, and working capital shall be used to benefit the District. Capital provisions shall be established by the Board of Directors of the Foundation to ensure fulfillment by the Foundation of this agreement.

XI
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 resulting or arising from this agreement shall either be transferred to the District or a non-profit, tax-exempt organization designated by the District, or expended for the benefit of the District. It is understood that in the event the Foundation ceases to be an auxiliary organization, it shall retain the assets it brings to this agreement so long as it operates for the benefit of the District.

XII
COVENANT

During the term of this agreement, the Foundation agrees to maintain its existence and to operate in accordance with Sections 72670-72682 of the California Education Code and with the regulations of Sections 59250-59276 of the California Code of Regulations, Title V, as well as the Implementing Regulations.

XIV
RIGHT OF ENTRY

It is understood and agreed that at any time the District and its agents shall have the right to enter the Foundation facilities or any part thereof for the purposes of examination or supervision.

XV
THIRD PARTY AGREEMENTS BY THE FOUNDATION

The Foundation shall not enter into any contract that would obligate designated District facilities, funds, equipment, or personnel without prior District approval. Any such contracts must contain sixty-day or ninety-day cancellation provisions and no cancellation penalties.

XVI
INSURANCE, INDEMNIFICATION, AND RESTORATION

The Foundation, as formed under Article 6, Section 72670 of the California Education Code, shall be included in the District's insurance policies for all of its regular functions. When special events are sponsored by the Foundation, separate insurance coverage may be required by the District.

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 use of the described facilities by the Foundation or in connection with this agreement.

Upon termination of this agreement, District shall have the option to require at the Foundation's own expense and risk, to restore the facilities as nearly as possible to the condition existing prior to the execution of the agreement. But if the Foundation shall fail to do

so within ninety (90) days after District exercises said option, District may restore the property at the risk of the Foundation and all costs and expenses of such removal or restoration shall be paid by the Foundation upon demand of District. District shall have the right to exercise this option within thirty (30) days after the expiration of this agreement, but not thereafter.

XVII
REAL PROPERTY

The Foundation shall not enter into any transaction concerning real property without the prior approval of the President/Superintendent, following his/her notification of the District Board of Trustees.

XVIII
NONASSIGNABILITY

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 President/Superintendent.

XIX
TERMS OF AGREEMENT

This Agreement is for the term beginning of the first day of August, 2006, and ending on the 31st day of July, 2010, unless sooner terminated as herein provided. This agreement may be terminated by either party giving sixty (60) days written notice, subject to the provisions of the contract entitled *Distribution Of Assets Upon Cessation*.

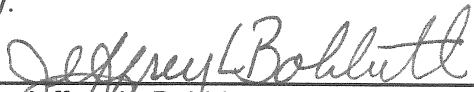
The Foundation must remain in good standing with the District. Otherwise, this agreement will immediately terminate, and the Foundation will terminate any contracts with third parties and meet the provision of the agreement entitled *Distribution Of Assets Upon Cessation*.

XX
NOTICES

All notices herein 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 President/Superintendent.

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

By:



Dr. Jeffrey L. Bobbitt
Acting President/Superintendent
Redwoods Community College District

By:



Jim Davis
President
College of the Redwoods Foundation