

MASTER AGREEMENT
BY AND BETWEEN THE
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
AND THE
SANTA ANA COLLEGE FOUNDATION

This Agreement is made and entered into this *16th* day of *July*, 1998, by and between the Rancho Santiago Community College District, hereinafter referred to as the "District," and the Santa Ana College Foundation, hereinafter referred to as the "Auxiliary," an auxiliary organization established and operated as an integral part of the District.

PURPOSE

Administration by the Auxiliary of the functions and activities described herein, instead of administration by the District, is deemed to be more effective in accomplishing these functions and activities than would be possible under the District budgetary, purchasing and other fiscal procedures.

AREAS OF SERVICE

The Auxiliary, through amendments to this Agreement and with the agreement of the District, may administer functions or activities defined in Section 59259 of the California Code of Regulations, Title 5. Other services may be provided if first approved by the Board of Governors, California Community Colleges.

The Auxiliary will engage only in those activities that are in support of and consistent with State and Federal laws and with the policies, rules, regulations and program goals of the District.

USE OF FACILITIES

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

The Auxiliary shall occupy, operate and 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 District.

Operations of the Auxiliary under this Agreement shall be integrated with the District operations, and shall be under the general supervision of the District officials. Such supervision shall be provided without cost to the Auxiliary.

The right to use any of the District's facilities or equipment included in this Agreement or amendments shall cease upon written notice to the Auxiliary and the Board of Trustees by the District Chancellor that the facilities are needed for the exclusive use of the District.

REIMBURSEMENT FOR SERVICES AND FACILITIES

The Auxiliary shall reimburse the District, at such times as the District shall reasonably determine, for expenditures incurred by the District as a result of the activities of the Auxiliary. This reimbursement shall include, but not be limited to, utility costs, administrative and other services, maintenance costs and supplies. Said reimbursement shall be computed on a simple but equitable basis. The District Vice Chancellor, Business Operations and Fiscal Services, with the approval of the District Chancellor, shall determine and specify such costs and the amount thereof; and reimbursement shall be made by the Auxiliary within the time specified in the notice of such determination. Reimbursement may be in the form of non-monetary or intangible benefits that are agreed upon by the District and the auxiliary organization, and that are identified by amendments to this agreement. In the March 13, 1998, Attorney General's Opinion (No. 97-1105) there was included this observation: "Because the duties and purposes of an auxiliary organization are to benefit a community college district and contribute to its educational mission, no issue of a 'gift of public funds' (Cal. Const. Art. XVI, Section 6) is present when district employees perform services for the organization."

AUDIT

The independent CPA firm retained to audit the District will also audit the Auxiliary and the costs of those additional services shall be paid by the District. Should the Auxiliary choose to select their own independent CPA firm, they may do so and pay the cost of this service from their own operational funds.

COVENANT

During the term of this Agreement, the Auxiliary 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 5, as well as the District's Implementing Regulations.

RIGHT OF ENTRY

It is understood and agreed that at any time the District, officers, employees and agents shall have the right to enter described facilities or any part thereof for the purpose of examination or supervision and to inspect books and records.

DISPOSITION OF EARNINGS

Income generated by the Auxiliary in excess of costs and appropriate provision for equipment, maintenance, working capital and reserves shall be used for the general benefit of the students and college programs as determined by the Board of Directors and approved by the Chancellor. Money may be expended for services and property, including, but not limited to, parking facilities, stadia, student centers, student unions, health centers, bookstores or auxiliary facilities for use of students, faculty members, or employees of the Rancho Santiago Community College District.

GOOD STANDING

The Auxiliary must remain in good standing with the District. Otherwise, this Agreement will immediately terminate and the Auxiliary will terminate any contracts with third parties and meet the provisions of this Agreement entitled Distribution of Assets Upon Cessation.

EXPENDITURES FOR PUBLIC RELATIONS

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

REAL PROPERTY MATTER

The Board of Directors shall not enter into any contract or other business arrangement involving real property without prior approval of the District Chancellor or designee in accordance with District procedures and regulations.

THIRD PARTY AGREEMENTS BY THE AUXILIARY

The Auxiliary shall not enter into any contract that would obligate the District, its facilities, equipment or personnel, without the prior written approval of the District.

MAINTENANCE AND OPERATING EXPENSES

The Auxiliary agrees that it will keep and maintain the described facilities in a clean and orderly condition and shall, if required by the District, at its own expense at reasonably frequent intervals, and in a lawful manner, dispose of all waste from the facilities. The Auxiliary further agrees that it will keep the described facilities in good repair.

SUBMISSION OF ANNUAL PROGRAM AND BUDGET

The Board of Directors shall submit its program and budget for the next fiscal year to the District Chancellor for his/her approval on or before May 15 of each year. Should the District Chancellor determine that any program or appropriation planned by the Auxiliary is not consistent with the policies of the Board of Trustees, the program or appropriation shall not be implemented. Further, should a program or appropriation which had received approval, upon review, be determined by the District Chancellor to be operating outside of the scope of the policies of the Board of Trustees, then that program or appropriation shall be discontinued by direction of the District Chancellor until further review is accomplished and an appropriate adjustment is made.

INSURANCE, INDEMNIFICATION AND RESTORATION

The District shall provide for the Auxiliary all risk liability coverage under the terms and conditions of the District's all risk blanket policy. Further, the District will extend its directors and officers errors and omissions coverage to include the Auxiliary board members, officers, and managers.

In the event that the District is unable to maintain such coverage for the Auxiliary, the District shall provide thirty (30) days notification to the Auxiliary of the District policy cancellation. In the event of such notice of cancellation by the District, the Auxiliary shall secure the appropriate coverage under its own name.

The Auxiliary 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 Auxiliary or in connection with this Agreement, provided that the loss, damage, or liability does not arise from the intentional or negligent acts or omissions of the District, its officers, agents, or employees.

Upon termination of this Agreement, the District shall have the option to require the Auxiliary, at the Auxiliary'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 Auxiliary shall fail to do so within ninety (90) days after the District exercises said option, the District may restore the property at the risk of the Auxiliary, and all costs and expenses of such removal or restoration shall be paid by the Auxiliary upon 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.

TERM OF AGREEMENT

This Agreement may be terminated by either party giving sixty (60) days written notice, subject to the provisions of this Agreement entitled Distribution of Assets Upon Cessation.

DISTRIBUTION OF ASSETS UPON CESSATION

Upon cessation of the operations of the Auxiliary under this Agreement, unless extended or renewed, the net assets of the Auxiliary resulting or arising from this agreement shall be either transferred to the District or expended for the benefit of the District.

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 President, Board of Directors, or the District Chancellor.

Notice to the Auxiliary shall be addressed as follows:

Secretary, Board of Directors
Santa Ana College Foundation
1530 West 17th Street
Santa Ana, CA 92706-3398

Notice to the District shall be addressed as follows:

Chancellor
Rancho Santiago Community College District
2424 N. Broadway
Santa Ana, CA 92707-3252

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

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

By Edward Hernandez
Chancellor

SANTA ANA COLLEGE FOUNDATION

By Karen Anderson
Secretary, Board of Directors

FIRST AMENDMENT TO MASTER AGREEMENT
BY AND BETWEEN THE
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
AND THE
SANTA ANA COLLEGE FOUNDATION

This Amendment is made and entered into this *16* day of *July*, 1998, by and between the Rancho Santiago Community College District, hereinafter referred to as "District," and the Santa Ana College Foundation, hereinafter referred to as "Auxiliary."

PURPOSE

The purpose of this Amendment is to establish the relationship between the District and the Auxiliary for the Auxiliary's function of soliciting and administering programs involving gifts, bequests, devises and trusts on behalf of the District pursuant to California code of regulations, Title 5, Section 59259(j).

USE OF FACILITIES

The Auxiliary may occupy, operate and use the following facilities assigned by the District and in accordance with District Regulations for auxiliaries of the District:

Office space on the Santa Ana College campus for Auxiliary staff including access to utilities, equipment and support services to include but not be limited to mail services, publication services, clerical services, food services, maintenance and supplies.

All assigned facilities may be shared with other programs, including instructional programs of the District.

REIMBURSEMENT FOR SERVICES AND FACILITIES

The Auxiliary shall not reimburse the District for expenditures incurred by the District as a result of the activities of the Auxiliary, except for those categories of expenditures charged back to other programs of the District; for example, printing, postage, and transportation. The costs shall be determined by the Vice Chancellor, Business Operations and Fiscal Services, and shall be consistent with the amounts charged to other District departments.

FINANCIAL REPORT

The Auxiliary Office shall report to the District on its financial operations through monthly financial reports submitted to the Vice Chancellor, Business Operations and Fiscal Services.

TERM OF THIS AMENDMENT

This Amendment shall provide for necessary use of facilities and assets for the Auxiliary to operate until terminated by either party giving sixty (60) days' written notice. Unless a successor Amendment to the Master Agreement is agreed to between the District and the Auxiliary prior to the termination of this Amendment, all assets and facilities will automatically revert to the District.

**RANCHO SANTIAGO COMMUNITY
COLLEGE DISTRICT**

By Edward Hernandez
Chancellor

**SANTA ANA COLLEGE
FOUNDATION**

By Harmon Anderson
Secretary
Board of Directors

SECOND AMENDMENT TO MASTER AGREEMENT

BY AND BETWEEN THE

**RANCHO SANTIAGO COMMUNITY COLLEGE
DISTRICT**

AND THE

SANTA ANA COLLEGE FOUNDATION

This agreement is made and entered into this *16th* day of *July*, 1998 by and between the Rancho Santiago Community College District, hereinafter referred to as the "District," and the Santa Ana College Foundation, hereinafter referred to as the "Auxiliary," an auxiliary organization established and operated as an integral part of the District.

Purpose

The purpose of this Amendment is to identify the method of reimbursement required by the District from the Auxiliary for expenditures incurred by the District as a result of activities of the Auxiliary.

Method of Reimbursement

The method of reimbursement by the Auxiliary shall be in the form of non-monetary or intangible benefits as stated in the Master Agreement between the District and the Auxiliary, Section: Reimbursement for Services and Facilities.

Non-Monetary or Intangible Benefits

Reimbursement to the District by the Auxiliary shall be in the form of non-monetary, intangible benefits as stated below:

The Auxiliary shall provide the District with community relations services in the Santa Ana College service area that actively promote, recruit, educate, and/or heighten the awareness of the college/District programs, services and/or student needs. By serving as ambassadors of goodwill for the District, the Auxiliary will strive to enhance the reputation of the District both locally and statewide

The Auxiliary shall manage, monitor, and administer revenues generated by the Auxiliary on behalf of the college/District for the support and enhancement of student and instructional needs.

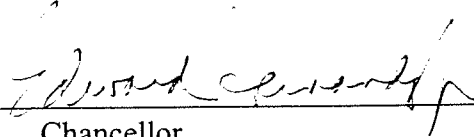
The Auxiliary shall actively cultivate and solicit donations to the college/District for the identified programs and projects outlined in its 1-5 year strategic fund-raising plan.

The Auxiliary shall foster positive giving opportunities among all internal and external constituents through payroll deduction campaigns, annual giving campaigns, capital campaigns, planned giving and estate planning opportunities, and special events to generate needed resources for college/District programs.

The District has determined that the benefits they derive from the services performed by the Auxiliary through its community relations, resource development, and statewide advocacy efforts on behalf of the District, clearly exceeds the value of services and expenditures incurred by the District as a result of the activities of the Auxiliary.

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

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

By  _____
Chancellor

SANTA ANA COLLEGE FOUNDATION

By  _____
Secretary, Board of Directors