

**MASTER AGREEMENT  
BY AND BETWEEN THE  
VICTOR VALLEY COMMUNITY COLLEGE DISTRICT  
AND  
VICTOR VALLEY COLLEGE DISTRICT FOUNDATION**

This Agreement (hereinafter "Agreement") is made and entered into this 11th day of June ~~March~~, 1997, by and between **VICTOR VALLEY COMMUNITY COLLEGE DISTRICT** and **VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.**

1. **Parties and Purposes:**

a. **VICTOR VALLEY COMMUNITY COLLEGE DISTRICT**, hereinafter referred to as "DISTRICT," was organized pursuant to Part 45 of Title 3 of the Education Code of the State of California, for the purpose of operating Victor Valley College as the primary institution of post-secondary education for the residents and businesses of the greater Victor Valley. The DISTRICT and Victor Valley College are hereinafter collectively referred to as the "College".

b. **VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.**, hereinafter referred to as "FOUNDATION," was organized pursuant to the General Non-Profit Corporation Law of the State of California, as a 501(c)(3) independent foundation, for the primary purpose of providing an instrumentality for financing and undertaking activities, projects and functions of an educational, charitable, services and/or scientific nature for the benefit of the College and its students.

c. All of the assets of the FOUNDATION are dedicated to, and the FOUNDATION has a proven track record of providing development and fundraising support for the benefit of the College.

d. The purpose of this Agreement is to establish and formalize the terms and conditions under which the DISTRICT will provide space and administrative support to the FOUNDATION, and to establish other parameters of the relationship between the DISTRICT and the FOUNDATION.

2. **Use of Facilities, Property and Services:**

a. The FOUNDATION may occupy, operate, and use College facilities and property, and may utilize College services (including but not limited to custodial and facilities maintenance services, equipment and information systems services and advice, administrative and other personnel and related assistance, and other similar services), either separately or jointly with the College, as from time to time agreed upon by the DISTRICT and the FOUNDATION.

b. The same shall be occupied, operated, used or utilized by the FOUNDATION 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.

c. The DISTRICT shall give the FOUNDATION the highest possible priority for the use of the facilities, property and services provided pursuant hereto; however, except as otherwise expressly provided, the right to use any of the same shall cease upon written notice by the President of the College that the facilities, property or services are more urgently needed by the DISTRICT.

d. The FOUNDATION shall have the right to place and attach its furniture, fixtures, signs, and equipment in or upon facilities as authorized by the College President in writing as to number, size and location; when so erected, placed or attached by the FOUNDATION, shall be and remain the property of the FOUNDATION and shall be removed therefrom by the FOUNDATION upon the termination of this Agreement.

e. It is understood and agreed that at any time the DISTRICT and its agents shall have the right to enter the described facilities or any part thereof for the purpose of examination, repairs, or audit.

f. The FOUNDATION, together with its officers, directors, advisors, employees and agents, shall be covered by the DISTRICT's policy or policies of insurance, for all of its regular functions and activities. The DISTRICT shall inform the FOUNDATION if any special events or functions sponsored by the FOUNDATION will not be covered by the DISTRICT's insurance, in which event separate insurance coverage shall be procured by the FOUNDATION. The FOUNDATION agrees to indemnify, defend, and hold harmless the District, the College, their officers, agents, and employees from any and all uncovered loss, damage, or liability that may be suffered or incurred by the DISTRICT, the College, their officers, agents and employees, caused by, arising out of, or in any way connected with the use of the described facilities by the FOUNDATION in connection with this Agreement.

3. **Reimbursement for Certain Services and Facilities:**

a. The DISTRICT shall charge the FOUNDATION for certain facilities, property and services, either in cash or in kind, in accordance with the schedules to which the DISTRICT and FOUNDATION may, from time to time, agree.

b. The DISTRICT shall invoice the FOUNDATION for expenditures made by it for the benefit of the FOUNDATION, indicating the items charged and the method of determining costs.

c. The DISTRICT shall provide certain services, without invoice, to the FOUNDATION, as from time to time agreed. It is the good faith business judgment of the Board of Trustees of the DISTRICT that the services and funds provided by the FOUNDATION to the College have a fair market value far surpassing the value of the facilities, property and services provided by the DISTRICT to the FOUNDATION under this Agreement.

d. If the FOUNDATION administers any state or federally sponsored programs, it shall reimburse the DISTRICT for indirect costs associated with the performance of services by the College for the FOUNDATION relating to the same. Such reimbursement shall take into consideration the DISTRICT's state or federal indirect cost rate and the approved indirect cost allocation, if any, of the state or federal program award.

4. **Accounting and Records:**

a. **FOUNDATION Financial Records:** The FOUNDATION shall provide the DISTRICT with copies of, and shall keep records and accounts of its program expenditures pursuant to its budgets for the prescribed period of law, and shall maintain its previous years' financial statements on file with the DISTRICT.

b. **Relevant DISTRICT Financial Records:** The DISTRICT shall maintain and provide the FOUNDATION with copies of all records and accounts of transactions relevant to the FOUNDATION and this Agreement.

c. An independent CPA firm will be retained annually to audit the FOUNDATION with the costs of that service paid by the FOUNDATION. Such audit reports shall be supplied to the DISTRICT in a timely manner following their completion. The DISTRICT shall also supply the FOUNDATION with the relevant portions of its annual audit reports to the FOUNDATION in a timely manner following their completion.

5. **Dispensation of Earnings:** Income generated by the FOUNDATION in excess of costs and provisions for equipment, maintenance, reserves, and working capital shall be used solely to benefit the College and its students. Provisions for the endowment of restricted capital gifts shall be established by the Board of Directors of the FOUNDATION to insure the good stewardship and fiduciary responsibilities of the FOUNDATION for this endowment.

6. **Third Party Agreements:** Neither the DISTRICT nor the FOUNDATION shall enter into any contract that would obligate the other without the express written consent of the party to be charged.

7. **Non-Assignability:** This Agreement may not be assigned by either the DISTRICT or the FOUNDATION, either in whole or in part, without the express written consent of the other.

8. **Covenants:**

a. **Foundation:** During the term of this Agreement, including any renewals and extensions thereof, the FOUNDATION agrees to maintain its existence and to operate in accordance with such statutes and regulations of the State of California as may, from time to time, regulate independent foundations; and to comply with the provisions of its Articles of Incorporation and Bylaws as, from time to time, amended. Further, the FOUNDATION shall not amend any provision of its Articles, Bylaws or other governing documents, policies or procedures so as to violate or frustrate the purpose of this Agreement.

b. **District:** During the term of this Agreement, including any renewals and extensions thereof, the DISTRICT agrees to maintain its existence and to operate in accordance with such statutes and regulations of the State of California as may, from time to time, regulate and govern Community College Districts having independent foundations; and to comply with the provisions of its governing documents as, from time to time, amended. Further, the DISTRICT shall not amend any provision of its governing documents, policies or procedures so as to violate or frustrate the purpose of this Agreement.

c. **Representation:** The DISTRICT shall be represented on the FOUNDATION Board by not less than two (2) members of its Board of Trustees and by its Superintendent/President. Further, in dealing with all matters relating to this Agreement and the provisions thereof, the DISTRICT shall be represented by the President of the Board of Trustees, the Superintendent/President or one of the DISTRICT's Vice Presidents, and the FOUNDATION shall be represented by its President/Chairman, one of its Vice-Presidents or its Chief Administrative Officer (Executive Director).

9. **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's Executive Director or the District Superintendent/President.

10. **Term of Agreement:**

a. **Initial Term:** This Agreement shall commence upon its execution by both the DISTRICT and the FOUNDATION, and shall conclude on the 31st day of December, 2020, unless sooner terminated pursuant to the provisions of this Agreement.

b. **Automatic Renewal of Term:** Providing neither the DISTRICT or the FOUNDATION are in material breach of this Agreement, the Agreement shall be automatically renewed for successive terms of twenty-five (25) years.

c. **Express Renewal of Term:** Notwithstanding the provisions of paragraphs 10a and 10b, above, any term of this Agreement may be expressly renewed for such term as the DISTRICT and the FOUNDATION may expressly agree.

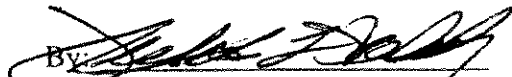
d. **Termination for Just Cause:** This Agreement may be terminated for just cause by either party upon ninety (90) days' written notice to the other. If notice is so given, this Agreement will immediately terminate upon the termination date specified in the notice. Immediately upon notice of termination, the FOUNDATION shall arrange for the vacation and return of any space, facilities, equipment or other property of the DISTRICT provided under this Agreement.

11. **Governing Law:** This Agreement shall be construed in accordance with the laws of the State of California applicable to agreements made and to be performed in such state.

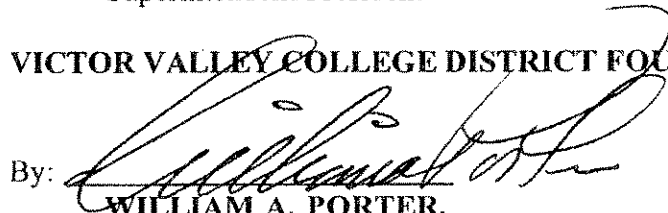
12. **Amendment of Agreement:** This Agreement may be amended solely by means of a written instrument, executed by the DISTRICT and the FOUNDATION, and appended to this Agreement.

WITNESS the parties hereto the day and year first above written.

**DISTRICT:** VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

By:   
NICHOLAS L. HALISKY,  
Superintendent/President

**FOUNDATION:** VICTOR VALLEY COLLEGE DISTRICT FOUNDATION

By:   
WILLIAM A. PORTER,  
President