

**MASTER AGREEMENT
BY AND BETWEEN THE
LOS RIOS COMMUNITY COLLEGE DISTRICT
AND
LOS RIOS CAMPUS SERVICES**

This Master Agreement ("Agreement") is made and entered into this 27 day of March, 2023, by and between the Los Rios Community College District, a California community college district duly organized and existing pursuant to the laws of the State of California (hereinafter referred to as the "district"), and the Los Rios Campus Services, a California nonprofit public benefit corporation (hereinafter referred to as the "LRCS"), which is an auxiliary organization established and operated as an integral part of the district. LRCS's Application for Exemption as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code is pending.

Purpose and Finding

LRCS has been created to provide administration of the functions and activities described herein, instead of administration by the district. LRCS 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.

The governing board of the district has determined that the value of following supporting services provided by LRCS greatly exceeds the cost to the district of the provision of any facilities, property and other support as provided by this Agreement:

1. Bookstores
2. Food Services
3. Beverage Services

The purpose of this Agreement is to establish the relationship between the district and LRCS for LRCS's administration of supporting services on behalf of the district pursuant to California Code of Regulations, Title 5, section 59259, subdivision (b) and (c).

Areas of Service

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

LRSC may occupy, operate and use district facilities and property assigned by the district, either separately or jointly with the district, in accordance with district regulations for auxiliaries of the district.

LRCS 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 governing board of the district.

Operations of LRCS 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 LRCS.

The right to use any of the district's facilities or equipment included in this Agreement or amendments shall cease upon written notice to LRCS 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

LRCS 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 LRCS. This reimbursement shall include, but not be limited to, utility costs, custodial services, maintenance costs and supplies. Said reimbursement shall be computed on a simple, but equitable basis. The district Vice Chancellor, Human and Resource Development, with the approval of the district Chancellor, shall determine and specify such costs and the amount thereof and reimbursement shall be made by LRCS 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 LRCS. 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. a/r.t. XVI, § 6) is present when district employees perform services for the organization."

Audit

The independent CPA firm retained to audit the district will also audit LRCS and the costs of those additional services shall be paid by the district.

Covenant

During the term of this Agreement, LRCS agrees to maintain its existence and to operate in accordance with California Education Code sections 72670-72680, and with the California Code of Regulations, Title 5, sections 59250-59270, as well as the district's implementing regulations.

Right of Entry

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

Allocation of Earnings

Income generated by LRCS 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 of LRCS and approved by the Chancellor. Money may be expended for services and property, including, but not limited to, parking facilities, stadia, student centers, student union, health centers, bookstores or auxiliary facilities for use of students, faculty members, or employees of the district.

Good Standing

LRCS must remain in good standing with the district. Otherwise, this Agreement will immediately terminate and LRCS 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, LRCS may expend funds in such amount and for such purposes as are approved by the board of directors of LRCS. Prior to the expenditure of such funds, LRCS 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, sources of funds, purposes for which the funds will be used, allowable expenditures and procedures of control.

Real Property Matters

The board of directors of LRCS 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 LRCS

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

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 the beginning of each fiscal year. Should the district Chancellor determine that any program or appropriation planned by LRCS is not consistent with the policies of the board of trustees, the program or appropriation shall not be implanted. 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 LRCS 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 LRCS board members, officers, and managers.

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

LRCS 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 LRCS 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 LRCS, at its own expense and risk, to restore the facilities as nearly as possible to the condition existing prior to the executive of the Agreement. But, if LRCS shall fail to do so within ninety (90) days after the district exercises this option, the district may restore the property at the risk of LRCS, and all costs and expenses of such removal of restoration shall be paid by LRCS 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.

Termination of Agreement

This Agreement may be terminated by either party giving sixty (60) days' written notice, subject to the provision of this Agreement entitled Distribution of Assets Upon Cessation. LRCS shall have necessary use of facilities and assets for LRCS to operate until termination.

Distribution of Assets Upon Cessation

Upon cessation of the operations of LRCS under this Agreement, unless extended or renewed, the net assets of LRCS resulting or arising from this Agreement shall be either transferred to (a) one or more nonprofit corporations tax-exempt under section 501(c)(3) of the Internal Revenue Code, organized and operated for the benefit of the district and approved by the Chancellor and the Board of Trustees of the district or (b) to 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.

Notice to LRCS shall be addressed as follows:

Sonia Mercado, AVC, Educational Services & Student Success
Los Rios Campus Services
1919 Spanos Court
Sacramento, CA 95825

Notice of the district shall be addressed as follows:


Mario Rodriguez, Executive Vice Chancellor, Finance and Administration
Los Rios Community College District
1919 Spanos Court
Sacramento, CA 95825

Supersedure and Authorization

This Agreement supersedes all prior contracts between the parties with respect to its subject matter. It may be amended only by a fully executed written agreement of the parties. The individuals whose signatures appear below certify that this Agreement has been approved by their respective governing boards and has received all approvals required under California law.

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

Los Rios Community College District

By:  _____

Los Rios Campus Services

By:  _____