Cabrillo College
FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Rob Allen, Pegi Ard, Michele Bassi, Owen Brown, Linda Burroughs, Ceil Cirillo, David Heald, Matt Huffaker, Amy Lehman, Kelly Nesheim, Amy Newell, Ed Newman, Bradley Olin, Erica Ow, June Padilla Ponce, Patty Quillin, Maria Esther Rodriguez, Gun Ruder, Karen Semingson, Rachael Spencer, Trevor Strudley, Kate Terrell, Julie Thiebaut, Rachel Wedeen, Kathleen Welch, Matt Wetstein, Kristin Wilson, Donna Ziel

FROM: CCF President, Claire Biancalana

GUESTS: Christina Cuevas, Cabrillo College Trustee
Dan Tichenor, Graystone Consulting

SUBJECT: Cabrillo College Foundation Board of Directors Regular Meeting
Tuesday, May 11, 2021
12:00 pm – 2:00 pm
Zoom Virtual Meeting

Item	**Responsibility**	**Page**
A. Regular Open Session		
1. Welcome and Call to Order	C. Biancalana	
2. Approval of Agenda *We reserve the right to change the order in which agenda items are discussed and/or acted upon at this meeting. Subject to further action, the agenda for this meeting is to be approved as presented. Items may be added to this agenda for discussion or action only as permitted by the Brown Act.*	C. Biancalana	

Any open session writings distributed either as part of the agenda packet, or within 72 hours of a regular meeting, can be viewed at the Foundation office, 6500 Soquel Drive, Aptos, CA 95003.

6500 Soquel Drive, Aptos, CA 95003 • 831.479.6338 • foundation@cabrillo.edu • foundation.cabrillo.edu

Item	Responsibility	Page
B. Public Comment		
1. Public Comment Opportunity	C. Biancalana	
C. Reports		
1. College President Report	M. Wetstein	
2. Cabrillo Name Exploration Committee and Task Force -Christina Cuevas, College Trustee -Owen Brown, Foundation Board Member	M. Wetstein	5
3. Executive Director Report	E. Hill	6
3.1 2020-21 Fundraising Targets		7
3.2 Fundraising Totals and Goal July 1, 2020 to April 30, 2021 Outright Gifts: $5,438,008 Unbooked Revocable Planned Gifts: $ 500,000 Total: $5,938,008		8
3.3 2020-21 Disbursements as of 3.31.21		9
3.4 Total Net Assets, Endowed Net Assets and Historical Gifts Chart as of March 31, 2021		10
4. Graystone Report 4.1 Review of CCF Investments as of April 30, 2021 4.2 Peer Comparison – NACUBO-TIAA Study of Endowments	D. Tichenor	Provided at meeting
D. Action Items		
1. Investment Consultant Contract	G. Ruder	11 – 27
2. Statement of Investment Policy	G. Ruder	28 – 47
3. February 9, 2021 meeting minutes	C. Biancalana	48 – 53
4. March 31, 2021 Financial Statements	P. Ard	
4.1 March 31, 2021 Condensed Narrative		54 – 55
4.2 Balance Sheet		56 – 59
4.3 Income Statement by Fund		60 – 62
4.4 Income Statement Budget-to-Actual		63 – 64
5. Operating Budget July 1, 2021 – June 30, 2022	E. Hill	
5.1 Overview of 2021-22 Operating Budget		65
5.2 Draft of 2021-22 Budget		66 – 67

Item	Responsibility	Page
D. Action Items (cont.)		
6. July 1, 2021 – June 30, 2022 Fundraising Goals	E. Hill	68
7. Board Member Recommendations	C. Biancalana	69 – 73
7.1 New Board Members		
7.2 2021-22 Officers		
7.3 College Representatives		
7.4 Audit Committee Members		
7.5 Terms of Office		
8. Form 990	E. Hill	74
E. Informational Items		
1. President's Circle Campaign Update	L. Burroughs	75 – 79
2. Women's Educational Success Update	D. Ziel	80
3. Scholarships	R. Spencer	81
4. Governing Document Review	E. Hill	82
4.1 Articles of Incorporation		83 – 85
4.2 Master Agreement		86 – 91
4.3 Bylaws		92 – 106
5. Honoring Board Members	M. Wetstein	
5.1 Retiring Board Members • Owen Brown • Linda Burroughs • David Heald • June Padilla Ponce • Amy Newell		
5.2 President Claire Biancalana		
6. Committee Calendar and Roster	C. Biancalana	107 - 108
F. Adjournment		
1. Adjournment	C. Biancalana	

2021-22 BOARD MEETINGS:
Tuesdays, 12:00 pm – 2:00 pm

September 14, 2021
November 9, 2021
February 8, 2022
May 10, 2022

BOARD OF DIRECTORS ATTENDANCE CHART

Board of Directors	**9/8/20**	**11/10/20**	**2/9/21**	**5/11/21**
Rob Allen	P	P	P	
Pegi Ard	P	A	P	
Michele Bassi	P	P	P	
Claire Biancalana	P	P	P	
Owen Brown	P	P	P	
Linda Burroughs	P	P	P	
Ceil Cirillo	P	P	P	
David Heald	A	P	P	
Matt Huffaker	P	P	P	
Amy Lehman	P	P	P	
Kelly Nesheim	P	P	P	
Amy Newell	P	P	P	
Ed Newman	P	P	P	
Bradley Olin	P	P	P	
Erica Ow	P	P	A	
June Padilla Ponce	P	P	P	
Patty Quillin	P	P	P	
Maria Esther Rodriguez	P	A	A	
Gun Ruder	P	P	P	
Karen Semingson	P	P	P	
Rachael Spencer	P	P	P	
Trevor Strudley	P	P	P	
Kate Terrell	A	P	P	
Julie Thiebaut	P	P	P	
Rachel Wedeen	P	P	P	
Kathleen Welch	P	P	P	
Matt Wetstein	P	P	P	
Kristin Wilson	A	A	A	
Donna Ziel	P	P	P	

P=Present, A=Absent, N/A=Not applicable, not on the Board at the time. Based on Board of Director's meeting minutes. Please contact Cabrillo College Foundation if you believe this chart is in error.

Cabrillo College

Community Name Exploration Events

SAVE THE DATES

March 18, 2021 | 6pm PST

Dr. Iris Engstrand — Who was Juan Rodriguez Cabrillo?

Recorded

This presentation is viewable on YouTube.

https://www.youtube.com/watch?v=s8XUBS7oEsc

April 8, 2021 | 6pm PST

Topic: The Impacts of Colonization on Native Americans

Opening: Kanyon Sayers-Roods (Mutsun-Ohlone/Chumash), CEO of Kanyon Konsulting LLC, Bay Area-Ohlone Territory

Speaker: Dr. Cutcha Risling Baldy (Hupa, Yurok, and Karuk), Professor and Chair of Native American Studies, CSU Humboldt

Speaker: Dr. Martin Rizzo-Martinez, CA State Park Historian, Santa Cruz District

Click the URL below to join the Zoom Webinar:

https://cccconfer.zoom.us/j/92917730420?pwd=L054Q1phZEo1S1k1UmliSUxOMFFUdz09

Password: 982255

April 15, 2021 | 6pm PST

Sandy Lydon, Retired Cabrillo College History Professor —Topic: How and Why Cabrillo College Got its Name

Click the URL below to join the Zoom Webinar:

https://cccconfer.zoom.us/j/92951354925?pwd=T1ZaZlNBTnlkOFhlaHhHYVowMFhtZz09

Password: 035399

April 22, 2021 | 6pm PST

Student Debate — Topic: Should Cabrillo College Change its Name?

Click the URL below to join the Zoom Webinar:

https://cccconfer.zoom.us/j/91449262131?pwd=b045cVlhMFVmRzEwOHExOVlRcFI5dz09

Password: 041016

April 29, 2021 | 6pm PST

President's Essay & Art Competition Entry Awards (PEACE Awards)

Click the URL below to join the Zoom Webinar:

https://cccconfer.zoom.us/j/91718959810?pwd=MzY4akR1M0RMbkxoVEVhbGJvZkREZz09

Password: 770356

May 4, 2021 | 6pm PST

The Other Slavery: The Impact of Early European Colonization on North American Tribes

Click the URL below to join the Zoom Webinar:

https://cccconfer.zoom.us/j/91447395698?pwd=Zmd1VmNCQ3NoTldLNGdSVWMzdi9wZz09

Password: 549024

For more information, visit: www.cabrillo.edu/governing-board/name-exploration-subcommittee/

Executive Director Report: May 2021

Administration

- 2021-22 Budget work, Form 990
- PPP Loan forgiveness!
- Governing Documents 3 year review: Bylaws, Articles of Incorporation and Master Agreement
- Nominating Committee
- Scholarship Administration

Fundraising

- Nearly $6M raised so far this year!!!!
- President's Circle: over $450k raised; celebrating smashing goal
- Women's Educational Success: launching this year's campaign
- Fire/Evacuation relief and Emergency grant support to students and Cabrillo employees
  - $132,150 disbursed to 118 students and 9 faculty/staff
- 96 DACA students received $750 in Emergency Grants
- New Scholarships: alternative high school students, local government scholarship and internship, engineering, and $60,000 in federal matching funds for STEM scholarships.
- Pending/Working on the following proposals: Foundation for CA Comm Colleges Nursing $214,557, Homeless Student Support $25,000, Solidaire UMOJA program $446,000
- Recently funded proposals: CFSCC $20,000 for Emergency Grants and $80,000 for Single Mom Scholarships, $200,000 High Achiever Scholarships
- Legacy Giving: working with four new donors, MOCIs for two existing donors

Upcoming Events

- Retiree Planning Happy Hour
  May 18th 5:30 – 6:30 pm
- President's Circle ($1,000+) Sandy Lydon Historical North Coast Experience
  May 20th 5:30 – 6:30 pm
- President's Circle ($10,000+) Feasting with Faculty (virtual)
  June 9th 12:00 – 1:00 pm

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Eileen Hill

SUBJECT: 2020-21 Fundraising Targets

The Board approved a $3M fundraising goal in outright and unbooked planned gifts. The following is an outline of the specific fundraising targets for the year to reach $3M. The $3M goal includes a target of $760,000 in endowed gifts and $500,000 in unbooked planned gifts. Focusing some effort on legacy giving will help ensure the long-term health and sustainability of the Foundation.

Amount Raised 7/1/20 – 4/30/21	**2020-21 Target**	
$448,096	$398,000	President's Circle
$0	$50,000	Annual Fund
$184,083	$175,000	Women's Educational Success
$276,060	$150,000	Cabrillo Advancement Program (Endowed)
$402,109	$500,000	Scholarships (Endowed)
$765,659	$250,000	Scholarships (Nonendowed)
$515,076	$477,000	Faculty/Department Support (Faculty Grants, Allied Health, Athletics, VAPA, etc.)
$2,770,925	$250,000	Student Support Services (veterans, foster youth, tutoring, girls in engineering, etc.)
$76,000	$250,000	Donor directed interests
$500,000	$500,000	Unbooked Planned Gifts
$5,938,008	**$3,000,000**	**TOTAL**

Cabrillo College
FOUNDATION

DATE: May 4, 2021

TO: Board of Directors

FROM: Eileen Hill

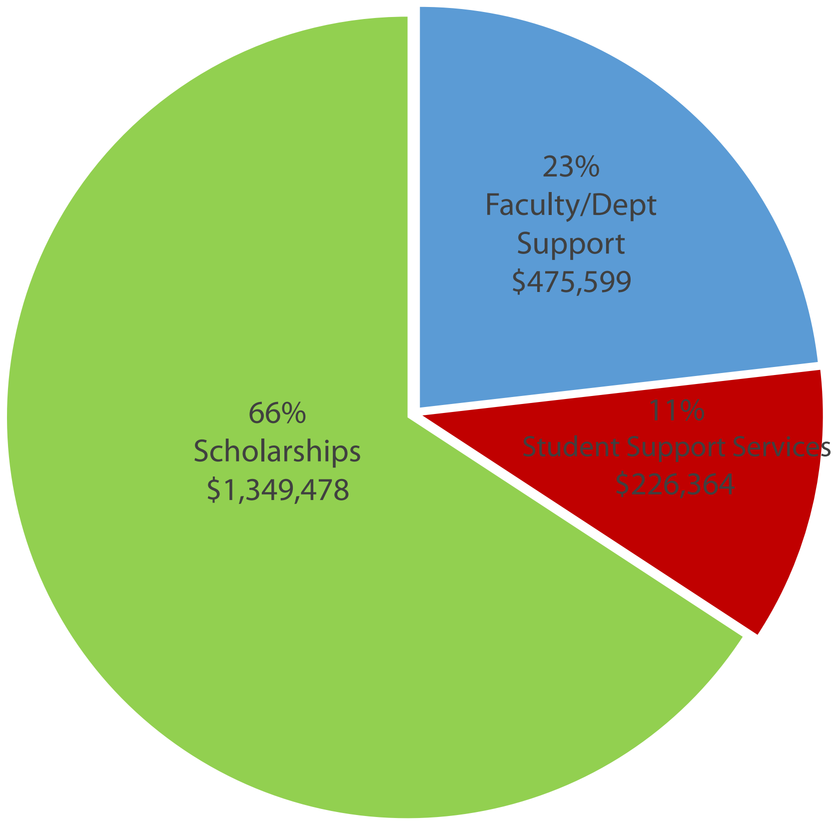
July 1, 2020 to April 30, 2021	
2020-21 Outright Gifts Fundraising Total	$ 5,438,008
2020-21 Unbooked Revocable Planned Gifts	$ 500,000
Total	**$ 5,938,008**

2020-21 Fundraising Goal for Outright and Unbooked Revocable Planned Gifts	$ 3,000,000
Recorded Gifts 07-01-20 to 04-30-21:	
Anonymous (Tutoring)	$ 2,600,000
The Grove Foundation (Scholarship)	$ 310,000
SD Trombetta Foundation (Peace Library, Internships & Scholarship)	$ 300,000
The Barbara Samper Foundation (CAP)	$ 125,000
Richard & Theresa Crocker (Fire Relief, President's Circle)	$ 101,500
Paul & Pat Shirley (CAP & Scholarship)	$ 100,250
Davidson Family Foundation (Scholarship)	$ 100,000
Monterey Peninsula Foundation (Grant)	$ 90,000
Estate of Hal Hyde (President's Circle, CAP)	$ 82,000
LAM Research Foundation (NetLab)	$ 76,000
Joan Griffiths (Tutoring, WES, Nursing, Stroke Center, President's Circle, Scholarship)	$ 53,157
Brian & Patti Herman (Fire Relief, President's Circle)	$ 50,562
California College Pathways Fund (Guardian Scholars)	$ 40,000
The Peggy & Jack Baskin Foundation (Fire Relief, WES & Girls in Engineering)	$ 38,000
Peter Weber & Victor Ruder (Fire Relief, Scholarship)	$ 30,500
Gitta Ryle (Scholarship)	$ 30,013
Claire Biancalana & William Kelsay (Fire Relief, President's Circle, Scholarship)	$ 25,326
Anonymous (Emergency Grants)	$ 25,000
Christopher Nutley (Scholarship)	$ 25,000
Rachel Wedeen (Fire Relief, WES, President's Circle, Scholarship)	$ 20,800
Anonymous (Scholarship)	$ 20,410
Leestma Family Foundation/Little Flower Fund (Scholarship)	$ 20,000
Julie Packard (WES & President's Circle)	$ 20,000
Craig Rowell & Corinda Ray (WES, President's Circle, Scholarship)	$ 20,000
Sutter Health Palo Alto Medical Foundation (Allied Health)	$ 20,000
Foundation for California Community Colleges (Scholarship)	$ 19,100
Estate of Richard Lynde (Scholarship)	$ 17,421
Patty Quillin & Reed Hastings (WES & President's Circle)	$ 16,000
George & Diane Koenig (CAP, Scholarship)	$ 15,168
Edward Newman & Leslie Christie (President's Circle)	$ 15,000
Diane Trombetta & Tom Davis (Fire Relief, WES)	$ 15,000
Rick & Ruth Moe (Fire Relief, President's Circle)	$ 14,600
Gifts under $14,600 (1,319 of 1,351 total donors)	$ 1,002,201
Total Secured Gifts	**$ 4,435,807**
Total Unbooked Revocable Planned Gifts	$ 500,000
TOTAL	**$ 5,938,008**

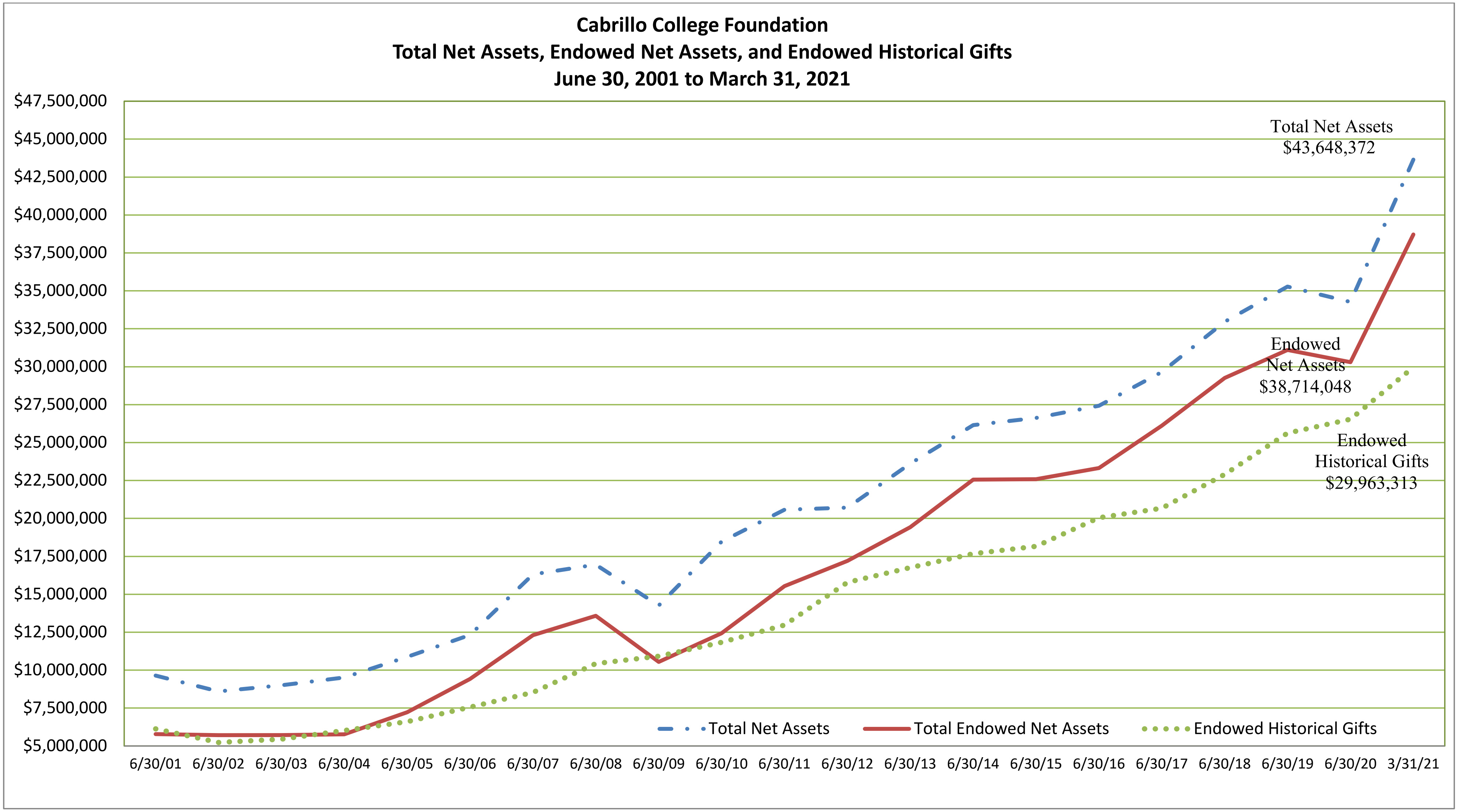
Notes: **1**. For 2020-21, The Cabrillo College Foundation has been notified of one planned gift.
2. The cumulative unbooked revocable planned gifts total is $26,295,000.

Cabrillo College FOUNDATION

Disbursements to Cabrillo College and Students
July 1, 2020 to March 31, 2021
Total: $2,051,441



Faculty/Department Support (Allied Health, Athletics, Faculty Grants, VAPA)	23%	$475,599
Student Support Services (Foster Youth, CAP, Children's Center, Peace Library)	11%	$226,364
Scholarships	66%	$1,349,478
	TOTAL	**$2,051,441**



Total Net Assets highest level was $43,650,971 as of January 31, 2021

Endowed Net Assets highest level was $38,714,048 as of March 31, 2021

Endowed Historical Gifts highest level was $29,963,313 on March 31, 2021

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Gun Ruder

SUBJECT: Graystone Consulting Contract

Background

On March 25, 2021, the Finance and Investment Committee approved the updated Graystone Consulting Contract and on April 15, 2021, the Executive Committee approved the updated Graystone Consulting Contract, which provides for:

- Full Discretion with Asset Class Ranges, with narrower "Committee-Approved" ranges for each asset class, limiting the Consultant's discretionary flexibility
- Fewer accounts
- Potential for lower manager fees
- Consultant is fully responsible for:
  1. Asset allocation manager due diligence
  2. Rebalancing
  3. Portfolio construction and implementation
  4. Risk management
  5. Portfolio monitoring and performance reporting
- Committee time directed to "big picture" monitoring rather than day-to-day decisions

The contract can be canceled at any time and will be reviewed at the first Finance and Investment Committee meeting in 2021-22.

RECOMMENDED MOTION: Approve the updated Graystone Consulting contract.

GRAYSTONE CONSULTING
CUSTOM INVESTMENT OUTSOURCING AGREEMENT

The undersigned on behalf of **Cabrillo College Foundation** ("Client" "you", or "your"), having opened an Account or Accounts (the "Account") with Morgan Stanley Smith Barney LLC ("MSSB", "we" "us" "our") hereby retains, under the terms and conditions set forth herein, the Graystone Consulting business unit ("Graystone") of MSSB, which shall have discretionary authority within the guidelines of the Clients written investment objectives to perform the services set forth below and in the respective Exhibits attached. Unless specifically noted, references to Graystone shall include services performed by MSSB.

This Agreement includes information required to be disclosed under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including the direct compensation that MSSB will receive, as well as the services MSSB will provide, pursuant to the relationship created by this document. In providing services under this Agreement, MSSB reasonably expects to provide services as a fiduciary under ERISA (within the meaning of Section 3(21) and 3(38) of ERISA and the regulations thereunder), if applicable, as well as an investment advisor registered under the Investment Advisers Act of 1940 ("Advisers Act"). The applicable Morgan Stanley ADV brochure includes additional information which will help the Client understand its relationship with MSSB, the services MSSB provides and the compensation MSSB receives. A copy of that document will be delivered in accordance with applicable legal requirements, and is available upon request from the Client's MSSB financial advisor ("Financial Advisor").

1. Consulting Services.

Graystone shall perform any or all of the following consulting services:

A. Graystone shall periodically provide Client with a report containing a statistical analysis of Client's portfolio of each investment manager, mutual fund and exchange traded fund ("ETF's") (collectively the "Investment Products") which may be retained or purchased by Client or Graystone for the Account.

B. Graystone Consulting shall assist the Client in Client's review, evaluation and preparation of investment policies and objectives for the account. As set forth below, Graystone Consulting shall assist the Client in developing benchmarks for the performance of the account. Graystone also will provide the performance of the total account so as to assist the Client with the ability to determine progress toward investment objectives.

C. Graystone shall provide Client with a Performance Reporting (a "Report") of the Account and of the portion of the Account invested in the Investment Product. The Report shall show historical performance and asset allocation of the Account, and of the portion of the Account invested in the Investment Product. Graystone shall provide the Report on a periodic basis.

The report can be customized to include certain portfolio characteristics which may be of particular interest to Client. The report will be based solely on information requested by Graystone and (i) provided by Client, or (ii) provided by the custodian of the assets in the Account, at Client's direction. MSSB may serve as custodian of the Client's assets invested hereunder. In circumstances where MSSB is not the custodian, Graystone shall not be responsible for the accuracy of the information supplied by the custodian or for any reports derived from such information.

D. Graystone shall conduct a periodic review of each current Investment Product. Such review will consider, among other factors, historical investment performance as provided by the Investment Product (as defined below in paragraph E), methodology and personnel.

E. Graystone or an Investment Product retained by it hereunder and/or a separate business unit within MSSB (as described in further detail in paragraph F hereof and exhibit B hereto), shall invest and reinvest the securities, cash and/or other investments held in the Account in accordance with Client's written investment objectives, as communicated by Client to Graystone. Consistent with Client's investment objectives and guidelines ("Investment Policy Statement"), investments may be made in securities of any kind, including, but not limited to, common and preferred stocks, convertible stocks or bonds, open or and closed end investment companies, exchange traded funds, warrants, options, rights, corporate, municipal or government bonds, notes or bills, cash or cash equivalents including securities issued by money market mutual funds, alternative investments for eligible clients, other instruments, or repurchase or reverse repurchase agreements for any of the foregoing (collectively, "Securities" or "Investment Products").

In certain cases Graystone may execute investment agreements (such as subscription agreements) on the Client's behalf.

Client understands and acknowledges that upon the opening of a new Account or upon the communication by Client to Graystone of a change in an Investment Policy Statement or investment policies, that it may not be prudent for Graystone to populate the Account immediately with investment products that are designed to fully implement the Investment Policy Statement or investment policies. During such a transition period, Graystone will select investment products in a prudent and commercially reasonable manner and over a reasonable period of time, with the goal of fully populating the account as soon as is reasonably and efficiently practicable.

Client understands that Graystone may engage unaffiliated Investment Products to invest the assets in the Account. Such Investment Products may be managed by a separately registered unaffiliated manager (the "Manager" or "Sub-Advisor"). Each Manager shall have the same authority which Graystone is granted to invest and reinvest the cash, Securities, and/or other investments held in the Account.

Graystone shall not be responsible for the day to day investment management decisions of any unaffiliated Investment Product. Graystone and each Investment Product shall use reasonable efforts to seek to meet or exceed any performance standard that is established for the Account in an investment policy statement or similar document, but Graystone does not guarantee such performance.

Client may reasonably request that the Investment Product for the Account be changed and Graystone will implement that change as soon as is reasonably practicable. Client understands that an Investment Product's past performance is not necessarily indicative of future performance.

Client understands that Graystone has discretion to hire and terminate Managers or Sub-Advisors and purchase or sell Investment Products (as that term is defined above). Client further understands that decisions to purchase or sell Securities shall be made by MSSB or the investment Manager and not by Client.

F. Graystone shall review Account asset allocation and reallocate Client's assets among Investment Products with or in which the Account is invested as provided in this Agreement, from time to time, as deemed appropriate by MSSB.

In the event Client retains a custodian other than MSSB, Client shall advise Graystone of the name and address of the custodian and of Client's Account number at the custodian. Fees of a custodian other than MSSB shall be paid by Client and are not included in the fees set forth in Exhibit A.

Client (or its designated agent) will be furnished with confirmations of Account transactions and periodic Account statements for all transactions effected by MSSB.

All or a portion of the Account may be held in cash or cash equivalents including securities issued by money market mutual funds.

In connection with the services being provided to Client under this Agreement, Graystone and each Manager shall be entitled to rely on the financial and other information provide by Client to Graystone, in writing from time to time. Client agrees to inform Graystone promptly in writing of any material change in Client's circumstances which might affect the manner in which Client's assets should be invested or the services provided by Graystone to Client under this Agreement. Client will provide Graystone with any such information as it shall reasonably request.

If MSSB maintains custody of all cash, securities and other assets in the Account it shall credit interest and dividends on said securities and credit principal paid on called or matured securities in the Account. Graystone shall provide at least each calendar quarter a statement of all assets in the Account in MSSB custody.

G. Portions of the Account may be invested in mutual funds and/or ETFs (collectively, "Funds"), either as an Investment Product or as portions of the Account's allocation(s) to one or more investment Managers.

Client agrees that if this Agreement is terminated for any reason and if at the time of termination the Client's Account includes Funds in share classes that are not available in non-managed Accounts, Graystone may convert any such Funds to a share class that is available in nonmanaged Accounts (even though the expense ratio for that share class may be higher than the expense ratio for the share class previously in the Client's Account).

For non-retirement Accounts, Client may elect that cash balances in the Account be automatically invested or "swept" into either a Bank Deposit Program ("BDP") Account or an eligible money market sweep fund (each, a "Sweep Fund"). If Client elects BDP, Client hereby authorizes without any further direction that all cash balances in the Account in excess of $1.00 be automatically deposited or swept every business day into an Account at one or more Federal Deposit Insurance Corporation ("FDIC") insured depository institutions affiliated with Morgan Stanley & Co. ("Morgan Stanley") ("Affiliated Program Banks") as more particularly set forth in the BDP Disclosure Statement. Client acknowledges having received and reviewed the BDP Disclosure Statement and agrees to be bound by its contents. Client understands that the list of Affiliated Program Banks may be amended after prior notice and that Client may block Affiliated Banks Two and Three from the current list of banks at any time.

For those Accounts that are subject to ERISA, the Fee, as described in Section 2 hereunder, will be reduced by the amount of the Sweep Fund's management fee or any shareholder servicing and/or distribution or other fees we, or our affiliates, may receive in connection with the assets invested in the Sweep Fund. In addition, MSSB will not receive cash compensation or credits in connection with the assets in the Deposit Accounts for Plans (as defined in Section 5 below). Affiliates of MSSB, however, may receive a financial benefit in the form of credit allocations made for financial reporting purposes with respect to Plan Accounts. The amount of this benefit will vary and will be based on the average daily deposit balances in the Deposit Accounts at each Sweep Bank. Generally, these benefits will increase as more funds are deposited through the Bank Deposit Program. No separate charges, fees or commissions will be imposed on your Account as a result of or otherwise in connection with the Bank Deposit Program.

Client acknowledges that Client (and not Graystone, Morgan Stanley, MSSB or their respective affiliates) is responsible to monitor the total amount of deposits Client has at each Affiliated Program Bank in order to determine the extent of available FDIC insurance coverage available to Client.

Alternatively, if Client elects an eligible money market sweep fund, Client hereby authorizes without any further direction that all cash balances in the Account in excess of $1.00 be automatically invested or swept every business day into the money market fund that has been made available and that Client has chosen. Client acknowledges that the prospectus for that money market fund has been provided to Client.

In the event Client does not select a Sweep Fund, Client hereby authorizes Graystone to select the Sweep Fund for the Account.

Investment products sold through MSSB and its affiliates are not insured by the FDIC; are not a deposit or other obligation of a depository institution; are not guaranteed by a depository institution; and are subject to investment risks, including the possible loss of the principal amount invested.

2. Fees Charged to Account.

Client shall pay MSSB for its services hereunder a fee as set forth in Exhibit A, which is attached to, and made a part of, this Agreement. In addition, if a mutual fund, hedge fund or ETF is used as an investment product, any such Fund will pay its own separate investment advisory fees and other expenses to the fund manager or other service provider (which service provider may be affiliated with MSSB). These fees and expenses will be in addition to the Fee paid by Client on the Account.

The fee paid to Graystone (the "Graystone Fee" or the "Fee") includes all fees or charges of Graystone and MSSB (including brokerage commissions for trades executed at MSSB as clearing broker; for MSSB, compensation paid to any applicable Graystone Consultant or MSSB Financial Advisor or an employee of an MSSB affiliate; and MSSB custodial charges, if applicable). The Graystone Fee does not include (i) charges for services provided by MSSB, an affiliate of MSSB or any third party that are outside of the scope of this Agreement (e.g. retirement plan administration fees, trustee fees, wire transfer fees, etc.); (ii) any taxes or fees imposed by exchanges or regulatory bodies; and (iii) brokerage commissions and other fees and charges imposed because MSSB or a Manager chooses to effect securities transactions for the account with or through a broker-dealer other than MSSB (as clearing broker for MSSB). Each of the additional charges may be separately charged to the Account or reflected in the price paid or received for a given security. If MSSB or its affiliates, including Morgan Stanley, is a member of an underwriting syndicate from which a security is purchased, MSSB or its affiliates may directly or indirectly benefit from such purchase. In addition, if a Client sells mutual fund or unit investment trust shares and invests the proceeds of such sale in his or her Account, the sale may subject the Client to transaction costs (e.g. – deferred sales charges) in addition to the payment of the MSSB Fee. The sale may also result in tax consequences to the Client. Clients participating in the Custom Investment Outsourcing ("CIO") program pay a fee based on the market value of their Account and, accordingly, may pay more or less for such services than if they had purchased such services separately. The same or similar services may be available at a lower fee in programs offered by other investment Managers.

If Graystone Consulting increases the fee, it will do so after Client's written consent or upon written notice to Client. Clients will also be notified of any decreases to their fees. At such time, the new fee will become effective unless Client notifies Graystone in writing to terminate the Agreement. Graystone or MSSB shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client. Notwithstanding the foregoing sentence, MSSB may be compensated based upon the total value of the Account as of definite dates.

Fees and commissions charged may be negotiated. Such fees and commissions may differ based upon a number of factors, including, but not limited to, the type of Account, the size of the Account, the historical or projected nature of trading for the Account, and the number and range of advisory and client-related services to be provided by Graystone to the Account.

Client authorizes Graystone to deduct any and all fees (including fees charged by a Manager) when due from the assets contained in the Account, if MSSB has custody of such assets. MSSB will pay the amount shown to be due on the invoice and will not verify the rate, computation or timing of the Advisor's fee or the value of the Account used in this connection. If MSSB does not have custody, all MSSB fees will be billed to Client or (if Client so directs) to the custodian.

A portion of the fee or commissions charged in connection with the Account is paid to Graystone Consultants and other employees of MSSB and its affiliates in connection with the provision of supplemental and client-related services. Such payments are made for the duration of this Agreement.

3. Custody Services and Valuation A. MSSB Will Act as Custodian.

Unless Client instructs MSSB not to maintain custody, MSSB will maintain custody of all cash, securities and other assets held in the Account. MSSB will credit the Account with dividends and interest paid on securities held in the Account and with the principal paid on called or matured securities in the Account. Client warrants that any securities delivered to MSSB are free of any encumbrances, including constructive liens. MSSB shall provide at least each calendar quarter a statement of all assets in the Account in MSSB custody.

Client authorizes MSSB and Graystone Consulting to deduct any and all fees when due from the assets contained in the Account, including fees charged by an Advisor, and pay them to the Advisor on behalf of Client. If required pursuant to the terms of the investment management agreement entered into between Client and the Advisor, MSSB or Graystone Consulting will debit the Advisor's fee from the Account upon MSSB's or Graystone Consulting's receipt of an invoice from the Advisor. MSSB and Graystone Consulting will pay the amount shown to be due on the invoice and will not verify the rate, computation, or timing of the Advisor's fee or the value of the assets used in this connection.

For accounts where MSSB is the custodian, in computing the fair market value of any security or other investment in the Account, a security listed on a national securities exchange shall be valued, as of the valuation date, at the closing composite price (the consolidated tape price). Generally, the prices of bonds, particularly municipal bonds, are obtained from third-party quotation services, whose prices are based either on closing prices, the most recent trades of round lots of $1 million, the mean between the bid and asking price of these lots, or a matrix based on interest rates for similar securities. As such, pricing may not reflect round lot/odd lot differentials (Odd lots are anything smaller than $1 million and can be as small as $5,000 or $10,000.) On average, odd lot prices are lower than round lot prices. Accounts which are charged an asset-based fee should note that such fees are based upon round lot valuations. Where prices are not available from quotation services, MSSB may use such prices that in MSSB's judgment best reflect the market prices of the securities. In either case, MSSB does not guarantee the accuracy of such prices. These prices should not be considered firm bids or offers, and may be subject to fluctuations due to lot size and market conditions. Any other securities or investments in the Account shall be valued in a manner determined in good faith by MSSB, in its sole discretion, to reflect market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the Account. a. Sweep Investments

All uninvested cash and allocations to cash in your Account will automatically "sweep" into interest-bearing bank deposit accounts ("Deposit Accounts") established under a Bank Deposit Program (the "Bank Deposit Program") or money market mutual funds (to the extent we make such funds available) including but not limited to those managed by Morgan Stanley Investment Management Inc., or another one of our affiliates (each, a "Money Market Fund" and, together with Deposit Accounts, "Sweep Investments"). Allocations to cash that are part of an overall asset allocation will be limited to investments in either Deposit Accounts or an alternative Money Market Fund (if available). Uninvested cash and allocations to cash including assets invested in Sweep Investments are included in the Fee calculation hereunder.

The Bank Deposit Program is the default Sweep Investment for all accounts. As discussed below, uninvested cash balances will sweep into the Bank Deposit Program unless you affirmatively elect an alternative, if available for your Account.

You further acknowledge that MSSB may with 30 days written notice (i) make changes to these sweep terms; (ii) make changes to the terms and conditions of any available sweep investment; (iii) change, add or delete the products available as a sweep option; (iv) transfer your sweep investment from one sweep product to another. b. The Bank Deposit Program

Through the Bank Deposit Program, Deposit Accounts are established for you at one or more of the following banks (individually and collectively, the "Sweep Banks"): (i) Morgan Stanley Bank, N.A. and/or (ii) Morgan Stanley Private Bank, National Association. The Sweep Banks are affiliated with MSSB. The Sweep Banks pay interest on the Deposit Accounts established under the Bank Deposit Program. Your deposits at the Sweep Banks will be insured by the Federal Deposit Insurance Corporation ("FDIC") up to applicable limits, in accordance with FDIC rules, and subject to aggregation of all the accounts (including, without limitation, certificates of deposit) that you hold at the Sweep Banks in the same capacity. Bank deposits held through the Bank Deposit Program are not covered by SIPC or excess coverage.

If the Bank Deposit Program is your Sweep Investment, you authorize us, as your agent, to establish the Deposit Accounts for you, and to make deposits into, withdrawals from and transfers among the Deposit Accounts.

Terms of the Bank Deposit Program are further described in the Bank Deposit Program Disclosure Statement, which will be provided to you upon your first investment in the Bank Deposit Program. You may also obtain the Bank Deposit Program Disclosure Statement as well as current interest rates applicable to your Account, by contacting your Financial Advisor or through MSSB's web site at http://www.morganstanley.com/wealth/services/bankdeposit program.asp. You acknowledge and understand that we may amend the list of Sweep Banks at any time with 30 days written notice to you. If you are participating in the Bank Deposit Program, please read the Bank Deposit Program Disclosure Statement carefully.

You acknowledge (i) that you are responsible to monitor the total amount of deposits you have at each Sweep Bank in order to determine the extent of FDIC insurance coverage available to you, and (ii) that MSSB is not responsible for any insured or uninsured portion of your deposits at any of the Sweep Banks.

Unless otherwise specifically disclosed to you in writing, such as in connection with the Bank Deposit Program noted above, investments and services offered through MSSB are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, the Sweep Banks, and involve investment risks, including possible loss of the principal invested. c. Money Market Funds

We may, in our sole discretion, offer Money Market Funds as Sweep Investments. The Money Market Funds may or may not be affiliated with MSSB. You understand that purchases and redemptions of Money Market Fund shares may be effected only through MSSB and that you may not directly access the Money Market Fund. The applicable Morgan Stanley ADV brochure sets forth the fees and expenses of any MSSB affiliated Money Market Funds in which Plans (an employee benefit plan as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974 ("ERISA"), a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986 (the "Code"), or a plan or other arrangement subject to fiduciary and prohibited transaction requirements of substantially similar state, local or foreign laws (each a "Plan"), may be invested. The advisory fee on any Plan account will be reduced by the amount of the Money Market Fund management fee or any shareholder servicing and/or distribution fees we or our affiliates may receive in connection with the assets invested in the Money Market Fund.

If a Money Market Fund is your Sweep Investment, you authorize us, as your agent, to make investments in, and redemptions from, the Money Market Fund.

Each of these Money Market Funds is a separate investment with different investment objectives. Their fees, expenses, minimum investment requirements, dividend policies and procedures may vary. Before you invest in any Money Market Fund, read its prospectus carefully. Money Market Fund shares are neither insured nor protected by the FDIC. Investment in any money market fund is a purchase of securities issued by the money market fund, not a bank deposit.

Certain of the Money Market Funds described above have minimum investment requirements. In addition, MSSB may require a minimum initial investment to activate some or all of the Sweep Investments. If you do not meet the minimum initial investment, uninvested cash and allocations to cash in eligible Accounts will remain uninvested or be invested in the Bank Deposit Program.

In addition, certain of the Money Market Funds have minimum balance requirements. For eligible Accounts, if your investment falls below the minimum balance requirement, MSSB may redeem and reinvest all of your shares in the Bank Deposit Program. Once your sweep option has been changed, we will not automatically change it back to your previous Sweep Investment even if you meet the minimum initial investment and/or balance requirements. You must contact your Financial Advisor to do so. However, if a pattern develops of falling below the minimum balance requirement, we may preclude you from investing in that Sweep Investment in the future.

We may offer other money market funds as a non-sweep investment choice. You may purchase shares in these money market funds by giving specific orders for each purchase to your Financial Advisor. However, uninvested cash in your Account will not be swept into these money market funds.

d. Alternatives to the Bank Deposit Program

All accounts that are eligible can choose from among certain Sweep Investments as alternatives to the Bank Deposit Program.

Please contact your Financial Advisor for more information about choosing an alternative Sweep Investment. In addition, you may obtain information with respect to the current yields and interest rates on the available Sweep Investments by contacting your Financial Advisor or through MSSB's website at http://www.morganstanley.com/wealth/services/bankdeposit program.asp.

The above provisions may not apply if you are not a U.S. resident. If you are not a U.S. resident, please contact your Financial Advisor to determine whether the Bank Deposit Program or a Money Market Fund will be your default Sweep Investment. e. Miscellaneous

You acknowledge that the rate of return on a default Sweep Investment may be higher or lower than the rate of return available in other Sweep Investments. Neither MSSB nor any affiliate is responsible to you if the default Sweep Investment has a lower rate of return than the other available Sweep Investments or causes any tax consequences resulting from your investment in the default Sweep Investment. We may, in our sole discretion determine and change the Sweep Investments available in your account. We may, at any time, discontinue offering any available Sweep Investment and, upon notice to you, cease offering your Sweep Investment. If we cease offering your Sweep Investment and you do not select a new Sweep Investment, your new Sweep Investment will be the default Sweep Investment as designated by us for such account.

Generally, temporary "sweep" transactions of all uninvested cash balances, allocations to cash and cash equivalents, if any, in the Account will commence, to the extent permitted by applicable law, on the next business day, with dividends credited to the client on the second business day. (If cash is deposited after normal business hours, the deposit may be credited on our recordkeeping system, for purposes of the preceding sentence, as having been received on the following business day.) (For certain accounts — namely accounts established as Basic Security Accounts that have less than $1,000 in the Sweep Investment — amounts awaiting investment will sweep weekly.)

Neither MSSB nor any affiliate will be responsible for any losses resulting from a delay in the investment of cash balances.

You authorize us to invest your funds in your Sweep Investment and to satisfy debits in your Account by redeeming shares or withdrawing funds, as applicable, from your Sweep Investment. Upon any such sale, gains on your position may be taxable.

You may change your Sweep Investment to another Sweep Investment, if available for your Account, by contacting your Financial Advisor. You agree that upon selection of a new Sweep Investment we may, as applicable, sell your shares in, or withdraw your funds from, your current Sweep Investment and, as applicable, purchase shares or deposit funds in your new Sweep Investment. There may be a delay between the time we sell shares or withdraw funds from your current Sweep Investment and the time we purchase shares or deposit funds in your new Sweep Investment. You may not earn interest or dividends during the time your funds are not invested.

f. Conflicts of Interest Regarding Sweep Investments

If your Sweep Investment is a Money Market Fund, as available, then the Account, as well as other shareholders of the Money Market Fund, will bear a proportionate share of the other expenses of the Money Market Fund in which the Account's assets are invested.

If your Sweep Investment is a Money Market Fund, you understand that Morgan Stanley Investment Management Inc. (or another MSSB affiliate) may receive an investment management fee for managing the Money Market Fund and that Morgan Stanley Distributors Inc., or another one of our affiliates, may receive compensation in connection with the operation and/or sale of shares of the Money Market Fund, which may include a distribution fee pursuant to Rule 12b-1 under the Investment Company Act of 1940, to the extent permitted by applicable law.

You understand that unless you are a Plan, the Fee will not be reduced by the amount of the Money Market Fund management fee or any shareholder servicing and/or distribution or other fees we or our affiliates may receive in connection with the assets invested in the Money Market Fund. For additional information about the Money Market Fund and applicable fees, you should refer to each Money Market Fund's prospectus.

If your Sweep Investment is the Bank Deposit Program, you should be aware that, the Sweep Banks will pay MSSB an annual account-based flat fee for the services performed by MSSB with respect to the Bank Deposit Program. MSSB and the Sweep Banks will review such fee annually and, if applicable, mutually agree upon any changes to the fee to reflect any changes in costs incurred by MSSB. Your Financial Advisor will not receive a portion of the fee. In addition, MSSB will not receive the fee in connection with the Program for assets in the Deposit Accounts for Plans. Affiliates of MSSB, however, may receive a financial benefit in the form of credit allocations made for financial reporting purposes. The amount of this benefit will vary and will be based on the average daily deposit balances in the Deposit Accounts at each Sweep Bank. Generally, these benefits will increase as more funds are deposited through the Bank Deposit Program. No separate charges, fees or commissions will be imposed on your Account as a result of or otherwise in connection with the Bank Deposit Program.

In addition, MSSB, the Sweep Banks and their affiliates receive other financial benefits in connection with the Bank Deposit Program. Through the Bank Deposit Program, each Sweep Bank will receive a stable, costeffective source of funding. Each Sweep Bank intends to use deposits in the Deposit Accounts at the Sweep Bank to fund current and new businesses, including lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or "spread," between the interest rate paid on the Deposit Accounts at the Sweep Banks and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by the Sweep Banks on those loans and investments made with the funds in the Deposit Accounts. The income that a Sweep Bank will have the opportunity to earn through its lending and investing activities is expected to be greater than the fees earned by us and our affiliates from managing and distributing the money market funds available to you as a sweep investment.

B. MSSB Will Not Act as Custodian.

In the event Client retains a custodian other than MSSB, Client shall advise Graystone Consulting of the name and address of the custodian and of Client's account number at the custodian. Fees of a custodian other than MSSB shall be paid by Client and are not included in the fees set forth in this Agreement. For Accounts where MSSB is not the custodian, the valuation of securities and other investments shall be provided by the custodian, and MSSB shall be entitled to rely on such valuations without verification.

MSSB will NOT maintain custody, and the Graystone Consulting Fee will be billed to Client. Please sign below if applicable.

Client's Signature ______________________________

Date ______________________________

MSSB will NOT maintain custody, and the Graystone Consulting Fee will be billed to the outside custodian. Please sign below if applicable.

Client's Signature ______________________________

Date ______________________________

4. Client Authority

If this Agreement is entered into by a Trustee or other fiduciary, such Trustee or other fiduciary represents that the services and investment options provided by Graystone are specifically authorized by the governing instruments of, and/or laws and regulations applicable to Client, and that said Trustee or fiduciary is duly authorized to enter into this Agreement. If Client is a corporation, the signatory on behalf of Client represents that the execution of this Agreement has been duly authorized by all necessary and appropriate corporate action. Client undertakes to advise MSSB of any event which might affect Client's authority to participate in or the propriety of this Agreement. If the Account is subject to the provisions of ERISA, unless Client notifies Graystone otherwise, Client acknowledges that the Account covered by this Agreement is only a part of the plan's assets and that MSSB is not responsible for the plan's overall compliance with the requirements of ERISA or any other governing law or documents.

A. Client represents that neither it nor another person who has an ownership interest in or authority over this Account knowingly owns , operates or is associated with a business that uses, at least in part, the Internet to receive or send information that could be seen as placing, receiving or otherwise knowingly transmitting a bet or wager.

B. The Client understands that, in order to open and continue to provide services to the Account, MSSB is required to obtain certain information about the Client. If this information is not provided by you fully or in a timely manner, MSSB may suspend trading in your account until the information is provided and/or terminate the account. The Client will deliver to MSSB, in writing, all of the information that MSSB or a manager may require or reasonably request to perform their duties hereunder without violating or causing the violation of applicable law.

USA Patriot Act Notice: Important information about our procedures for opening a new account or establishing a new customer relationship.

C. You further understand that to help the government fight the funding of terrorism and money laundering activities, federal law may require all financial institutions to obtain, verify and record information that identifies each individual or institution that opens an account or establishes a client relationship with MSSB. Therefore, before entering into a relationship with you, MSSB will ask for your name, address, date of birth (as applicable) and other identification information. If all required documentation or information is not provided, MSSB may be unable to open an account or maintain a relationship with you.

D. If you, or any other account owner, or authorized person on your account(s) is, or has been, a "Politically Exposed Person" ("PEP"), or is a corporation, business or entity that is closely aligned with a PEP such that it is subject to due diligence as a PEP ("PEP Entity"), you confirm that you have disclosed this fact to MSSB and have provided the necessary information required by law to open and/or to service your account(s). You also agree that you will not use your account(s), or permit them to be used, for any transactions (i) with, involving or for the benefit of, any Sanctioned Person (excluding legally permissible transactions in debt or equity issued by an entity designated on OFAC's Sectoral Sanctions Identifications List), or (ii) in any other manner that would cause either you or MSSB to violate any Sanctions.

5. Further Representations Applicable to Retirement Plans

The provisions of this Section 5 shall apply if you are an employee benefit plan as defined in Section 3(3) of ERISA, a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "IRC") or a plan or other arrangement subject to fiduciary and prohibited transaction requirements of substantially similar state, local or foreign law (each, a "Plan"). The Account is being opened on behalf of the Plan pursuant to proper authorization from the named fiduciary or other responsible fiduciary or agent of the Plan. The representations, authorizations, certifications and warranties required of you in this Agreement shall be made by the Plan's fiduciary acting solely in its capacity as such.

A. By managing assets of a Plan subject to ERISA and/or Section 4975 of the IRC hereunder, each Manager or Sub-Adviser will be deemed to acknowledge to MSSB and to you that it will be acting as a "fiduciary," as that term is defined in Section 3(21)(A) of ERISA and has accepted appointment as an "investment manager" as that term is defined in Section 3(38) of ERISA, with respect to the assets it manages hereunder. MSSB represents to a Client that is a Plan subject to ERISA and/or Section 4975 of the IRC that, with respect to the performance of its duties under this Agreement, MSSB is a "fiduciary" as that term is defined in ERISA and/or Section 4975 of the Code with respect to the Account.

B. You represent and warrant that: (i) with respect to the control and management of the assets in the Account, you are either (A) the named fiduciary in the case of a Plan defined in Section 3(3) of ERISA (or the person authorized by the named fiduciary to select investment managers) or (B) in the case of any other Plan, either the person for whose benefit the Plan was established or that person's authorized agent; (ii) the Plan and its governing instruments provide for the appointment of an "investment manager" as that term is defined in Section 3(38) of ERISA and permit the investment by the Plan in Investment Products; (iii) the execution, delivery and performance of this Agreement will not violate any provisions or result in any default under the plan, the trust, the investment policy or other equivalent constituent documents, any contract or other agreement to which you are a party or by which you, the Plan or its assets may be bound or any statute or any rule, regulation or order of any government agency or body; and (iv) you are independent of MSSB, the Investment Products, and their affiliates, are capable of making independent decisions regarding the investment of Plan assets and the selection of Investment Products, are knowledgeable with respect to the Plan in administrative matters and funding matters related thereto, and are able to make an informed decision concerning the signing of this Agreement and maintenance of the Account.

C. Unless you inform MSSB otherwise in writing, you represent that any company sponsoring the Plan is not a public company and does not have any affiliates that are public companies. You will notify MSSB, in writing, within twenty-four hours if any of the foregoing representations become inaccurate or if the identity of any of the Plan's named fiduciaries with respect to the Account changes.

D. You have concluded that: (i) the Account Fees and other charges as set forth in Section 2 payable hereunder are reasonable in light of the services to be provided by MSSB under this Agreement, and that paying such amounts to MSSB is in the best interests of the Plan, its participants and beneficiaries; (ii) participation in the services contemplated by this Agreement is prudent; and (iii) each Investment Product selected by you is suitable for the Plan. You also understand that due to regulatory constraints until further notice, your selection of available Investment Products will not include those that are, or are managed by, affiliates of MSSB, except the Money Market Fund. Therefore, as a Plan, your selection of Investment Products may be more limited than for accounts that are not Plans.

E. You understand that with respect to assets invested in the Money Market Fund managed by an affiliate, MSSB will to the extent necessary comply with ERISA Prohibited Transaction Exemption 77-4, ERISA Prohibited Transaction Exemption 84-24, or other applicable exemptions. You acknowledge that you have received the "Affiliated Money Market Funds Fee Disclosure Statement" in Exhibit A of the applicable Morgan Stanley ADV brochure and, if you are a Plan defined in Section 3(3) of ERISA, the prospectus for the

Money Market Fund. Based on these disclosures you have concluded that an investment in the Money Market Fund is appropriate. You also acknowledge that the Money Market Fund may pay a 12b-1 fee to MSSB, which fee will be rebated to your Account as soon as practicable but in no event longer than 30 days, and you acknowledge that any benefit from that use of the 12b-1 fee until the rebate is part of our compensation hereunder. You also understand that the Account may include cash balances uninvested pending investment, pending distribution or as otherwise necessary or appropriate for the Account's administration. You agree that we may retain as compensation for our provision of services your Account's proportionate share of any interest earned on such uninvested cash balances held by us or an affiliate. See the "Float Disclosure Statement" in Exhibit A of the applicable Morgan Stanley ADV brochure for further details.

F. Further, to the extent that you have investments in Funds other than the Money Market Fund in the Account, you acknowledge that (i) you have determined that the offer of Investment Products as an investment within the Account complies with the terms of the Plan and any of its constituent documents, (ii) as of the effective date of this Agreement, no affiliated Fund other than the Money Market Fund will be available for purchase in the Account unless subsequently agreed to by the parties and (iii) to the extent unaffiliated Investment Products are held in the Account, we will either (a) credit your Account with the amount of any shareholder services/distribution fees, revenue-sharing payments and recordkeeping fees received by MSSB or its affiliates from Investment Products that are not affiliated with MSSB that are retained by MSSB or such affiliate and that do not constitute "direct expenses" (as defined under regulations issued pursuant to ERISA) or (b) not collect any shareholder services/distribution fees, revenue-sharing payments or recordkeeping fees with respect to such Investment Product.

G. You represent that signing this Agreement and any instruction you give with regard to the Account is, and will be, consistent with applicable Plan documents, adopted and pending, including any investment policies, guidelines, or restrictions. You agree to provide MSSB with a copy of all such documents upon the request of MSSB. You represent that except as communicated in writing to MSSB, there are no limitations on securities under the Plan that may be purchased or held as assets in the Account. You will notify MSSB promptly in writing of any modifications to the Plan's investment policies, guidelines, or restrictions and of any modifications to any other Plan documents pertaining to investments by the Plan. If the assets in the Account constitute only a part of the assets of the Plan, you will provide MSSB with a written description of which of the Plan's investment policies or guidelines are applicable to the Account. Unless otherwise agreed, the compliance of any investment that an Manager or Sub-Adviser makes for the Account with any such investment policies or guidelines shall be determined on the date of purchase only, based upon the price and characteristics of the investment on the date of purchase compared to the value of the Account as of the most recently preceding valuation date. No investment guidelines, policies, or other instructions shall be deemed breached as a result of changes in value or status of an investment occurring after purchase. It will be your responsibility to provide MSSB with prompt written notice if you deem any investments made for the Account to be inconsistent with such guidelines, policies, restrictions, or instructions. You agree promptly to furnish MSSB with such documents as MSSB or any Manager may reasonably request to verify the foregoing and to advise MSSB promptly of any event that may affect this authority or the validity of this Agreement.

H. Unless you notify MSSB otherwise in writing, you acknowledge that the Account is only a part of the Plan's assets. The services provided under this Agreement will have no effect on the assets of the Plan that are not in the Account, and neither MSSB nor the Managers or SubAdvisers will have any responsibility (fiduciary or otherwise) for such other assets. Neither MSSB nor any Advisor are responsible for Plan administration or for performing any duties not expressly set forth in this Agreement and, therefore, we are not responsible for diversifying all of the investments of the Plan and you agree that the only responsibility that we shall have with respect to diversification will be to diversify the assets of the Account, within the provisions of the Program's guidelines and restrictions, so as to reduce the risk of large losses without regard to or consideration of any other assets which may be held by the Plan.

I. If you are a Plan subject to ERISA or analogous local or state law, you agree to obtain and maintain for the period of this Agreement any bond required pursuant to the provisions of ERISA or other applicable law and to include within the coverage of such bond MSSB, and any of its officers, directors and employees whose inclusion is required by law, and not otherwise exempt from such bonding requirement, and to provide MSSB with appropriate documentation evidencing such coverage upon request.

J. Generally, securities transactions for the Account are effected for Plans on an agency basis, with no additional transaction-based compensation. In addition, to the degree applicable, you specifically authorize us to effect "agency cross" securities transactions on behalf of the Plan with our affiliated broker-dealers, in accordance with the requirements of ERISA Prohibited Transaction Class Exemption 86-128 ("PTCE 86-128") and/or ERISA. You acknowledge that you can receive a copy of PTCE 86-128 upon request, and you understand that the authorization to utilize such exemption is terminable by you at will and that you have the right to request such information regarding such agency cross trading (if any) as MSSB is required to provide under the provisions of ERISA or other applicable law. You acknowledge that you specifically authorize us to use ECNs and ATSs (including ECNs and ATSs that are affiliates of MSSB, or in which MSSB or its affiliates may have an ownership interest) to effect trades on behalf of the Account.

K. The signatory for the Client, as the "named fiduciary" for the Plan within the meaning of ERISA (or other responsible fiduciary or agent of the Plan), such party (i) hereby appoints MSSB, any Manager or SubAdviser, to serve as investment managers for the Client with respect to assets in the Account; and (ii) pursuant to such signatory's authorization under the terms of the Client's Plan documents, hereby further appoints MSSB as a "named fiduciary" within the meaning of ERISA to the extent MSSB has been granted discretion under this Agreement to select or change Managers and Sub-Advisers on behalf of the Plan Client.

L. You also understand that the Account may, from time to time, include cash balances temporarily uninvested pending investment, pending distribution or as otherwise necessary or appropriate for the Account's administration. You agree that we may retain as compensation for its provision of services your Account's proportionate share of any interest earned on such uninvested cash balances held in your Account, otherwise known as "float." This amount is earned by us through investment in a number of short-term investment products and strategies, with the amount of such earnings retained by us, due to the short-term nature of the investments, being generally at the prevailing Federal Funds interest rate. The timing of sweep with respect to an Account (and thus the amount of "float" that may be earned by us) may depend, in part, on the underlying coding of the Account on our brokerage recordkeeping system — in particular, whether or not an Employee Benefit Trust ("EBT") is coded as a "Basic Security Account" ("BSA"), the brokerage platform for new EBT accounts, or on the Active Assets Account ("AAA"), the platform for older EBT accounts. On the AAA platform, with respect to such assets awaiting investment in excess of $1: (i) where such assets are received for your Account on a day generally on which the New York Stock Exchange and/or the federal reserve banks are open ("Business Day"), float shall be earned by us through the end of that Business Day (known as the "Sweep Date"), with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, float shall be earned by us as broker through the end of the next Business Day. On the BSA platform, the sweep depends on the size of cash balances held in the account. For Accounts on BSA with $1,000 or more available cash that qualifies as assets awaiting investment: (i) such interest shall be earned by us through the end of that Sweep Date, with the client credited interest/dividends in such funds as of the next Business Day following the Sweep Date; (ii) where such assets are received on a Business Day that is not followed by another Business Day, or on a day which is not a Business Day, such interest shall be earned by us through the next Business Day. For BSA Accounts with less than $1,000 available cash, generally, if such assets are received for your Account on a Business Day that is a Monday through Friday, float shall be earned by us as broker through the following Monday. If such Monday is not a Business Day, float will be earned through the next Business Day. See the "Float Disclosure Statement" that you received in or with the applicable Morgan Stanley ADV brochure for further details.

6. Proxies and Other Legal Notices.

Graystone or MSSB shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the Account, nor shall it be obligated to render any advice or take any action on behalf of Client with respect to securities or other investments held in the Account, or the issuers thereof, which become the subject of any legal proceedings, including bankruptcies. Client hereby expressly retains the right and obligation to vote any proxies or take action relating to securities held in the Account; provided, however, Client may delegate said rights and obligations to an Investment Product or other properly authorized agent.

7. Termination of Agreement.

This Agreement may be terminated at any time upon written notice by either party to the other and termination will become effective upon receipt of such notice. Such termination will not, however, affect the liabilities or obligations of the parties incurred, or arising from transactions initiated, under this Agreement prior to such termination, including the provisions regarding arbitration, which shall be deemed to survive any expiration or termination of the Agreement. Upon the termination of this Agreement, Graystone or MSSB shall not be under any obligation whatsoever to recommend any action with regard to, or to liquidate, the securities or other investments in the Account. MSSB retains the right, however, to complete any transactions open as of the termination date and to retain amounts in the Account sufficient to effect such completion. Upon termination, it shall be Client's exclusive responsibility to issue instructions in writing regarding any assets held in the Account. Client is responsible for providing Graystone with the name of another custodian at the time the Agreement is terminated if MSSB is providing custody services and Client chooses not to maintain custody of the Account with MSSB.

Client authorizes MSSB (without notice to Client) to convert shares of any Fund in the Account to a share class of the same Fund which is a load-waived or no-load share class such as an Institutional share or Financial Intermediary share, or to a share class that is available only to investment advisory clients (collectively, an "Investment Advisory Share"), to the extent available. Upon termination of this Agreement for any reason or the transfer of Fund shares out of the Account into another account including a MSSB retail brokerage account, Client hereby authorizes MSSB to convert any Investment Advisory shares to the corresponding Fund's appropriate non-Investment Advisory share class, or to redeem the Investment Advisory Shares. Client acknowledges that the appropriate non-Investment Advisory Share class generally has higher operating expenses than the corresponding Investment Advisory Share class, which may negatively impact investment performance.

8. Potential Conflicts of Interest.

Client understands that MSSB, each Manager and their affiliates may perform, among other things, investment banking, research, brokerage, and investment advisory services for other clients. Client recognizes that MSSB and each Manager may give advice and take action in the performance of their duties to such clients (including those who may also be participants in the Consulting Group CIO program) which may differ from advice given, or in the timing and nature of action taken, with respect to Client. Moreover, MSSB or any of its affiliates may advise or take action with respect to itself or themselves differently than with respect to Client. Nothing in this Agreement shall be deemed to impose on MSSB, any Investment Product or any of their affiliates any obligation to recommend any investment advisor or to purchase or sell, or recommend for purchase or sale, for Client any securities or the investments which MSSB, any Investment Product or any of the affiliates may recommend, purchase or sell, or recommend for purchase or sale, for its or their own Account, or for the Account of any other client, nor shall anything on this Agreement be deemed to impose upon MSSB, any Investment Product or any of their affiliates any obligation to give Client the same advice as may be given to any other clients.

By reason of its investment banking or other activities, MSSB and its affiliates may from time to time acquire confidential information and information about corporations and other entities and their securities.

Client acknowledges and agrees that MSSB will not be free to divulge to Client or any Manager and Sub-Adviser, or to act upon, such information with respect to its or their activities, including its or their activities with respect to this Agreement.

Certain investment management firms (including managers of mutual funds and/or ETFs) do other business with MSSB and its affiliates.

Client understands that Graystone Consultants and MSSB Financial Advisors may receive a financial benefit from any Manager in the form of compensation for trade executions for the Accounts of the Manager or Accounts that are managed by such Manager, or through referrals of brokerage or investment advisory Accounts to the Financial Advisor by such Manager. Moreover, MSSB may have trading, investment banking or other business relationships with such. These Advisors may include an Advisor recommended to clients by a Graystone Consultant or an MSSB Financial Advisor in any of the Consulting Group programs.

9. Liability of MSSB

Client acknowledges that an investment Manager's past performance is not necessarily indicative of future performance. MSSB makes no representations or warranty under this Agreement or any Exhibit attached hereto with respect to the present or future level of risk or volatility in the Account, or any investment Manager's future performance or activities. Except as provided for in Exhibit B hereto, Client understands that the Manager is solely responsible for the trading within the Client's Account. Accordingly, Client understands that Manager, not MSSB, is Client's investment Manager with respect to each transaction.

10. Non-Assignability

This Agreement shall not be assignable by Graystone or MSSB without the prior consent of Client. This Agreement and its terms shall be binding upon Client's successors, administrators, heirs, executors, committee and/or conservators.

11. Governing Law

This Agreement, including the arbitration provision contained therein, is made and shall be construed under the laws of the State of New York without reference to the choice of law or conflict of laws provisions thereof. This choice of law clause shall not govern the choice of statutes of limitations applicable to claims and controversies described in the arbitration provision, and the statute of limitations applicable to any such claim or controversy shall be that which would be applied by the federal district court for the district in which Client resides. If Client does not reside in the United States, the statute of limitations shall be that which would be applied by the courts in the state where the MSSB office servicing Client's Account(s) is located.

12. Entire Agreement

Client may execute a retail client agreement (the "Client Agreement") with MSSB. This Agreement and the Client Agreement (if applicable) represent the entire agreement between the parties with regard to the services described herein and therein. This Agreement (including language on fees and other charges) may be amended by either of the following methods: (a) MSSB unilaterally amending the Agreement by giving you written notice of the amendment, or (b) MSSB signing a written amendment in cases where you request or agree to the change. This Agreement and the Client Agreement (if applicable) supersede all previous agreements and understandings between the parties hereto with respect to the subject matter hereof. Notwithstanding the terms of the Client Agreement, the terms of this Agreement shall govern with respect to the fees and advisory services described herein.

13. Severability

If any provision of this Agreement shall be held or made invalid by a statute, rule, regulation, decision of the tribunal or otherwise, the remainder of the Agreement shall not be affected thereby and, to this extent, the provisions of the Agreement shall be deemed to be severable.

14. Arbitration

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- **All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**

- **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
- **The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**
- **The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.**
- **The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**
- **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.**

You agree that all claims or controversies, whether such claims or controversies arose prior, on or subsequent to the date hereof, between you and MSSB and/or any of its present or former officers, directors, or employees concerning or arising from (i) any account maintained by you with MSSB individually or jointly with others in any capacity; (ii) any transaction involving MSSB or any predecessor or successor firms by merger, acquisition or other business combination and you, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of this or any other agreement between you and us, any duty arising from the business of MSSB or otherwise, shall be determined by arbitration before, and only before, any selfregulatory organization or exchange of which MSSB is a member. You may elect which of these arbitration forums shall hear the matter by sending a registered letter or other written communication addressed to Morgan Stanley Smith Barney LLC at 1633 Broadway, 26th Floor, New York, NY 10019, Attn: Legal Department. If you fail to make such election before the expiration of five (5) days after receipt of a written request from MSSB to make such election, MSSB shall have the right to choose the forum.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the person is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

The statute of limitations applicable to any claim, whether brought in arbitration or in a court of competent jurisdiction shall be that which would be applied by the courts in the state in which you reside or if you do not reside in the United States, the statute of limitations shall be that which would be applied by the courts in the state where the MSSB office servicing your Account is located.

15. Trading Authorization

Client hereby grants Graystone, MSSB or their respective affiliates and each Manager engaged by Graystone or MSSB complete and unlimited discretionary trading authorization with respect to the Account and appoints Graystone, MSSB or their respective affiliates and each Manager as agent and attorney-in-fact with respect to the same. Pursuant to such authorization, MSSB or the Manager may, in their sole discretion and at Client's risk, purchase, sell, exchange, convert and otherwise trade the securities and other investments in the Account as well as arrange for delivery and payment in connection with the above and act on behalf of Client in all other matters necessary or incidental to the handling of the Account.

This power of attorney shall not be affected by subsequent disability or incapacity of Client. If, in the event of Client's death, MSSB acts in good faith pursuant to this trading authorization without actual knowledge of Client's death, any action so taken, unless otherwise invalid or unenforceable, shall be binding on Client's successors in interest. In the event of Client's death, MSSB is authorized to liquidate any or all property in the Account whenever in MSSB's discretion MSSB considers it necessary to do so for MSSB's protection or for the protection of the assets in the Account. This trading authorization is a continuing one and shall remain in full force and effect until terminated by Client or MSSB in writing. The termination of this authorization will constitute a termination of this Agreement.

Client hereby agrees to pay MSSB promptly on demand for any and all losses incurred by MSSB as a result of trading pursuant to this authorization, and to cover any debit balance resulting from such trading.

Pursuant to the trading authorization contained in this Agreement, Graystone, MSSB or any Manager may effect, in the absence of written instructions to the contrary from Client, transactions for the purchase and/or sale of Securities and other investments in the Account through or with brokers or dealers, including MSSB, as they in their sole discretion deem appropriate.

As a general matter, each Manager shall be instructed by Client to use the execution services of MSSB and its affiliates to effect transactions for the purchase and/or sale of securities and other investments in the Account. Transactions shall be executed through a broker or dealer other than MSSB or its affiliates, only when the Manager reasonably believes in good faith that such other broker or dealer will provide better execution than would be the case if the transaction were executed through MSSB. In evaluating which broker or dealer will provide the best execution, the Manager will consider the full range and quality of a broker's or dealer's services including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness. The Manager may select broker-dealers which provide MSSB, MSSB and/or the Manager with research or other transaction related services and may cause Client to pay such broker-dealers commissions for effecting transactions in excess of the commission other broker-dealers may have charged. Such research and other services may be used for MSSB's and/or the Manager's own or other client Accounts to the extent permitted by law.

Pursuant to the provisions of Section 11(a) of the Securities Exchange Act of 1934, certain transactions effected by MSSB or MSSB for certain clients on a national or regional securities exchange may be executed with MSSB, MSSB or their respective affiliates only upon receipt of Client consent. Client specifically consents, in the absence of contrary instructions, to MSSB, MSSB or their respective affiliates acting as broker for the Account. Where such transactions are effected through MSSB, MSSB or their respective affiliates, such parties may act, in the absence of instructions to the contrary communicated by Client to MSSB or MSSB, on an agency or principal basis, to the extent permitted by law and subject to the applicable restrictions, and will be entitled to compensation for its or their services.

In connection with transactions effected for the Account, Client authorizes MSSB and each Manager to establish and trade in Accounts in Client's, MSSB's, MSSB's or the Manager's name with members of national or regional securities exchanges and the Financial Industry Regulatory Authority, Inc., including "omnibus" Accounts established for the purpose of combining orders for more than one client.

Client consents that some or all executions for Client's Account may be aggregated with executions effected for other clients of MSSB or an affiliate and be subsequently allocated to Client's Account at an average price, and that MSSB may from time to time and its discretion act as principal (to the extent permitted by law) with respect to aggregated orders that result in allocations to Client's Account at an average price. Client's confirmations will identify when a transaction was effected at an average price, the average price at which it was effected, and if so, whether MSSB acted as principal or agent for the transaction. Client may only rescind this consent by written instruction to MSSB or Graystone.

Client hereby grants MSSB and its affiliates the authorization to effect "agency cross" transactions (i.e., transactions in which MSSB or any person controlling, controlled by or under common control with MSSB, acts as broker for the party or parties on both sides of the transaction) with respect to the Account to the extent permitted by law. Client acknowledges that MSSB or its affiliates may receive compensation from the other party to such transactions (the amount of which may vary) and that, as such, MSSB will have a potentially conflicting division of loyalties and responsibilities. Client understands that its consent to "agency cross" transactions, contained herein, can be revoked at any time by written notice to MSSB.

In no event shall MSSB or its affiliates be obligated to effect any transaction for Client which they believe would be violative of any applicable state or federal law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory body.

16. Durable Power of Attorney

The Client designates authorized representatives from MSSB or Graystone to act in our place as our discretionary agent and such authorization shall continue until the Client withdraws such authorization in writing or either party terminates this authorization under Section 7 of this Agreement.

MSSB and Graystone shall have the full power and authority to execute any and all investment related documentation within the guidelines of the Clients Investment Policy Statement, including all MSSB, Manager and Sub-Adviser documentation and all partnership agreements deemed necessary by MSSB and Graystone to carry out the services outlined in Section 1 of this Agreement. Such authority includes the ability to journal funds to and from MSSB and any other banking institution, in an effort to reallocate the investments of the Clients portfolio.

Client acknowledges that should an investment be illiquid, MSSB or Graystone will seek affirmative consent from the Client prior to investing in such product.

Third parties may rely upon the representations of MSSB or Graystone regarding the powers granted under this Agreement.

17. Miscellaneous

Graystone and MSSB reserve the right to refuse to accept or renew this Agreement in its sole discretion and for any reason. Client understands that Graystone and MSSB may choose not to accept this Agreement until such time as Client delivers the securities and other investments that will comprise the Account into MSSB's custody. Client assets will remain in the form delivered prior to the acceptance of the contract by Graystone or MSSB. Collection and processing of the required documentation may delay the acceptance of the contract.

Client may request (verbally or in writing) that Graystone or MSSB "harvest" tax losses or gains in the Client's Account. Client must make such request each time that the Client desires "tax harvesting." Client directs Graystone or MSSB upon receipt of such a "harvesting" request to (a) sell ETFs and equity securities in the Account in order to realize capital losses or gains; (b) reinvest the proceeds from the sale of equity securities or equity ETFs in one or more broad based equity market ETF(s) during any applicable wash sale period; (c) reinvest the proceeds from the sale of fixed income ETFs in cash or cash equivalents during any applicable wash sale period; and (d) after the expiration of any applicable wash sale period, sell the ETF and invest the proceeds in the Account accordance with the applicable Model Portfolio. Client may request tax "harvesting" as outlined above (i) for specified securities, (ii) in a specified total amount, or (iii) in the maximum amount available. Securities in the Account will be sold proportionately to achieve any requested losses/gains. If the ETF utilized increases in value during any applicable wash sale period, this increase will result in ordinary income to the Client. Client agrees that there is no guarantee that "harvesting" requests received late in a calendar year will be completed before yearend, or that "harvesting" will achieve any particular tax result. Tax "harvesting" may adversely impact investment performance. Client acknowledges that neither Graystone, MSSB, nor any affiliate provide tax advice, and that Client will consult with Client's own tax advisor regarding tax "harvesting" or other tax issues.

Client warrants that any securities delivered to MSSB are free of any encumbrances, including constructive liens.

MSSB represents that it is registered as an investment advisor under the Advisers Act of 1940.

If you elect to use a third party custodian, you acknowledge that, notwithstanding anything to the contrary in any agreement between you and such custodian, the authority of MSSB to instruct the custodian with respect to disbursing or transferring funds and securities in your account is limited to instructing the custodian in connection with the purchase and sale of securities in your account and, if applicable, the payment of the MSSB fees.

For the purpose of referring to this Agreement, the date of this Agreement shall be the date of acceptance by Graystone or MSSB.

Client acknowledges that MSSB may withhold any tax to the extent required by law, and may remit such taxes to the appropriate government authority.

All written communication to Graystone or MSSB pursuant to this Agreement shall be sent to MSSB at the address referenced below, unless MSSB designates otherwise in writing. All written communication to Client shall be sent to the address referenced below, unless Client designated otherwise in writing.

As used herein, reference to persons in the masculine gender shall include persons of the feminine gender. References in the singular shall, as and if appropriate, include the plural.

All paragraph headings are for convenience of reference only, do not form part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

All information, recommendations and advice furnished to Client pursuant to the Custom Investment Outsourcing program shall be treated as confidential by Client.

Client acknowledges receipt of a copy of this Agreement (including all Exhibits indicated below), and of the applicable Morgan Stanley ADV brochure.

VOLCKER RULE ATTESTATION (For Entity Clients Only)

On July 21, 2015, the law and related regulations known as the "Volcker Rule" went into effect. As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Volcker Rule focuses on the relationships between financial institutions, like Morgan Stanley, and entities called "covered funds," which include private equity funds and hedge funds as well as other types of similar investment vehicles.

By signing below on behalf of the entity client listed below, you are confirming that the entity is not a covered fund because:

(i) The entity is not an issuer of securities;

(ii) The entity does not hold itself out as an entity that raises funds from investors primarily for the purposes of investing in securities; and (iii) You affirm the entity is not

a. a hedge fund;

b. a private equity fund;

c. a venture capital fund;

d. a commodity pool that has a commodity pool operator registered with the Commodity Futures Trading Commission; or

e. a similar investment vehicle that would be considered a "covered fund" under the Volcker Rule law and regulations.

Please note that non-US entities with all non-US owners are exempt from the definition of a "covered fund."

If any of these statements is not accurate (or will no longer apply at any time in the future), please contact your Financial Advisor or Private Wealth Advisor at your earliest convenience.

The Client represents that neither it nor another person who has an ownership interest in or authority over the Account knowingly owns, operates or is associated with a business that uses, at least in part, the Internet to receive or send information that could be seen as placing, receiving or otherwise knowingly transmitting a bet or a wager.

The Client understands that in order to open and continue to provide services to the Account, MSSB is required to obtain certain information from the Client. If this information is not provided by you fully or in a timely manner, MSSB may suspend trading in your account until the information is provided and/or terminate the Account. The Client will deliver to MSSB, in writing, all of the information that MSSB or a Manager may require or reasonably request to perform their duties hereunder without violating or causing any violation of applicable law.

PLEASE CHECK THE APPROPRIATE BOXES:

18. Attachments

The following Exhibit(s) are attached to, and made a part of, this Agreement:

☐ Exhibit A. Asset Based Fee

Representative Client List. MSSB publishes materials which, in addition to describing the nature of its investment advisory services, may also provide a representative listing of its institutional clients ("Representative Client List"). Such a listing will generally provide the name of the Client, but will not provide any specific account information. By signing below, Client consent to the inclusion of its name on the Representative Client List.

Client's Signature

____

YOUR CONSENT TO ELECTRONIC DELIVERY OF ADV BROCHURES, PRIVACY NOTICES AND OTHER DOCUMENTS

a. ***Electronic delivery:*** By signing below, you authorize us to deliver any type of document relating to your existing and future investment advisory accounts and relationships with MSSB (including MSSB's ADV brochures and privacy notices), instead of paper copies, either by email to an email address you give us, by giving you a CD-ROM to read on a computer, or by referring you to a website. Your consent to Electronic Delivery in the previous sentence does not apply to delivery of documents such as account statements, trade confirmations and tax documents (such as 1099 forms). If you would like to have these documents delivered electronically, please visit www.morganstanley.com/online/edelivery or contact your Financial Advisor.

b. ***Website address:*** MSSB's ADV brochures and privacy notices, and the Advisors' profiles, for your Account are available now at www.morganstanley.com/ADV. Please review them.

c. ***Your computer access:*** You acknowledge that you have access to a computer which can access these documents (including PDF software, available free of charge at Adobe's website www.adobe.com, and a CD-ROM drive), and that you may incur costs accessing or printing the documents (e.g. online provider fees and printing costs). We are not liable for these costs or any computer problems (including viruses) you incur in accessing the documents.

d. ***How to get paper copies***: This consent remains in place until you give written notice to your Financial Advisor that you are revoking it. You may also, without revoking this consent, ask your Financial Advisor for a paper copy of any document that we deliver electronically under this consent.

e. ***Other document deliveries:*** Sometimes we may deliver paper copies of documents relating to an account. Also, some documents that we can deliver electronically are not covered by this consent and have separate procedures for enrollment and unenrollment in electronic delivery and for obtaining paper copies.

Proxy Waiver. Each Manager is responsible for voting proxies with respect to the issuers of securities held in the Account, unless Client expressly retains the right and obligation to vote proxies by providing written notice to MSSB. If Client has not retained proxy-voting rights, Client, by initialing below, designates that each Manager is to receive the proxy soliciting material and Related Material.

Proxy Waiver (Client may initial) __________________

This Agreement may be executed in counterparts and shall be binding on the parties hereto as if executed in one document.

Note: This Agreement contains a pre-dispute arbitration clause which is located in Section 14 on page 10 of this Agreement.

BY SIGNING THIS AGREEMENT, THE UNDERSIGNED CLIENT ACKNOWLEDGES: (A) RECEIPT OF A COPY OF THE AGREEMENT; (B)
RECEIPT AND REVIEW OF THE APPLICABLE MORGAN STANLEY ADV BROCHURES AND PRIVACY NOTICES; (C) THAT CLIENT
CONSENTS TO ELECTRONIC DELIVERY OF ADV BROCHURES, PRIVACY NOTICES AND OTHER DOCUMENTS, AS PROVIDED ABOVE; AND (D) RECEIPT AND UNDERSTANDING OF THE DISCLOSURES IN SECTION 1 OF THIS AGREEMENT, REGARDING INVESTMENTS SOLD THORUGH MSSB.

AGREED to this ______day of____________________, ______.

Title of Account: **Cabrillo College Foundation**

By: ____

ACCEPTED as of the ______day of ____________________, ______.

Morgan Stanley Smith Barney LLC through its Graystone Consulting business unit

By: ____

Robert J. Mandel, Managing Director
Director of Graystone Consulting
2000 Westchester Avenue
Purchase, New York 10577

____

Client Acknowledgement
Client Initials: ________
Date:_______________

Exhibit A
to
Morgan Stanley Smith Barney LLC
Consulting Group
Custom Investment Outsourcing Agreement

Asset Based Fee

Client shall pay MSSB for its services quarterly (on a calendar quarter basis) in advance an annual fee (the "Graystone Fee" or the "Fee") as a percent of the market value of the Account based on the following schedule (the "Fee"). The Fee includes all fees or charges of MSSB (including brokerage commissions, compensation to MSSB Financial Advisors and MSSB custodial charges) except certain costs or charges associated with the Account or certain securities transactions, including dealer mark-ups or mark-downs, auction fees, certain odd-lot differentials, exchange fees, transfer taxes, electronic fund and wire transfer fees; charges imposed by custodians other than MSSB; fees imposed in connection with MSSB Financial Management Accounts; certain fees in connection with custodial, trustee and other services rendered by a MSSB affiliate; SEC fees on securities trades; any other charges mandated by law; and certain fees in connection with the establishment or administration or termination of retirement or profit sharing plans or trust Accounting. In addition, brokerage commissions and other fees and charges imposed because a Manager and Sub-Adviser chooses to effect securities transactions for the Account with or through a broker-dealer other than MSSB will be separately charged to the Account. If an affiliate of MSSB (including MSSB or Morgan Stanley is a member of the underwriting syndicate from which a security is purchased, MSSB or affiliates may indirectly benefit from such purchase.

The initial Fee shall be due in full on the date the Account is opened at MSSB (the "opening date") and shall be based on the market value of the Account on that date. The initial Fee payment will cover the period from the opening date through the last business day of the next full calendar quarter and shall be pro-rated accordingly. Thereafter, the Fee shall be paid quarterly in advance based on the Account's market value on the last business day of the previous calendar quarter and shall become due the following business day.

Additional assets received into the Account during any period may be charged a pro-rata fee based on the number of days remaining in the billing period as against the total number of days in the billing period. No adjustments will be made to the Fee for appreciation or depreciation in the market value of securities held in the Account, or with respect to partial withdrawals by Client, during any billing period for which such Fee is charged. In the event this Agreement is terminated by either party prior to the end of a billing period, a pro-rata refund of the Fee will be made.

In computing the market value of any securities or other investments in the Account, securities listed on any national securities exchange shall be valued, as of the valuation date, at the composite closing price (at the consolidated trade price). Any other securities or investments in the Account shall be valued in a manner determined in good faith by MSSB, in its sole discretion, to reflect market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the Account.

Investment products utilized in the Account have expenses associated with them that are not included in the schedule set forth below.

FEE SCHEDULE

Account Asset Value*	Annual Graystone Fee to Client
On all assets up to $35MM	0.35%
On all assets between $35MM - $50MM	0.30%
On all assets over $50MM	0.25%

*Brokerage assets are excluded for all calculations

Cabrillo College
FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Gun Ruder

SUBJECT: Statement of Investment Policy

Background
On March 25, 2021, the Finance and Investment Committee approved the updated Statement of Investment Policy, followed by approval by the Executive Committee on April 15, 2021. The updated Statement of Investment Policy includes the following changes resulting from the new Graystone Consulting Contract:

Duties and Responsibilities
• Transfers certain responsibilities from Committee to Consultant
• Specifies that Consultant has discretionary authority to set asset allocation and select investment managers, subject to the guidelines of the IPS

Asset Allocation
• Maintains existing "Board-Approved" ranges to retain Committee flexibility
• Establishes narrower "Committee-Approved" ranges for each asset class, which limit the Consultant's discretionary flexibility

Additional Changes
• Increasing maximum for Alternatives from 15% to 20%
• Monitoring liquidity on investment strategies with longer than three (3) months to liquidate will require Finance and Investment Committee approval.

The Statement of Investment Policy will continue to be reviewed annually in March.

RECOMMENDED MOTION: Approve the Statement of Investment Policy as presented.

Cabrillo College

Foundation

Est. 1965

STATEMENT OF INVESTMENT POLICY

OBJECTIVES & GUIDELINES

Board of Directors
Approved May 8, 2018

TABLE OF CONTENTS

Statement of Investment Policy, Objectives, and Guidelines
Cabrillo College Foundation

GENERAL INFORMATION

Background Information

The Cabrillo College Foundation ("Foundation") was established in 1965. The Foundation is crucial to the continuing development of Cabrillo College and the surrounding community.

Mission Statement

The Foundation's mission is to operate for the advancement of education; to solicit and raise money for scholarship, facilities, equipment, research and education projects; to improve faculty-teaching competence; to provide departmental support; and to otherwise provide aid supplementary to public tax dollars for the support and benefit of Cabrillo College.

Scope of This Investment Policy

This statement of investment policy reflects the investment policy, objectives, and constraints of the Cabrillo College Foundation.

Purpose of This Investment Policy Statement

This statement of investment policy is set forth by the Board of the Cabrillo College Foundation in order to:

1. Outline the philosophy and policies which will guide the investment of Foundation assets toward desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.
2. Define and assign the responsibilities of all involved parties.
3. Establish the relevant investment horizon for which Foundation assets will be managed.
4. Establish a clear statement of the investment goals and objectives of Foundation assets.
5. Set forth guidelines for managing Foundation assets according to prudent standards as established by the Board in accordance with UPMIFA.
6. Offer guidance and limitations to the Investment Consultant regarding the investment of Foundation assets.
7. Establish a basis for evaluating investment results.

DUTIES AND RESPONSIBILITIES

Members of the Board of Directors of the Cabrillo College Foundation are fiduciaries, and are responsible for directing and monitoring the investment of Foundation assets. Additionally, they are responsible for establishing policies used to administer the Foundation's investment activities. As such, the Board is authorized to delegate certain responsibilities and may employ or arrange for the services of such other persons, agents, or assistants as, in its opinion, are deemed necessary or desirable for the proper administration of the Foundation's investments, and to pay reasonable compensation for their services and expenses. The Board expects that any such parties associated with the Foundation will discharge their respective responsibilities in accordance with normal fiduciary standard. These parties may include, but are not limited to:

1. Finance and Investment Committee. The Finance and Investment Committee is established pursuant to Article 7b(3) of the Foundation's Bylaws. Subject to the general supervision and ratification of the Board, the Finance and Investment Committee shall exercise control over the funds of the Foundation. Specific responsibilities of the Finance and Investment Committee include:
   a. Carrying out all current policies set forth in the Foundation's Investment Policy;
   b. Advising the Board on the selection of an Investment Consultant;
   c. Overseeing and monitoring the status of the Foundation's assets;
   d. Advising the Board on spending (SEE APPENDIX A), investment, and cash management policies, including asset allocation and prohibited transactions;
   e. Setting and evaluating the target total return on investments;
   ~~f. Working with the designated Investment Consultant to select Investment Managers;~~
   ~~g.~~f. Making recommendations to the Board on other fiscal policies and procedures;
   ~~h.~~g. Carrying out a performance review of the Investment Consultant every 5 years, or earlier if conditions warrant;
   ~~i.~~h. Carrying out an annual review of the Investment Policy Statement.

2. Investment Consultant. Specific responsibilities of ~~T~~the Investment Consultant include:
   a. ~~may a~~Assisting the Finance and Investment Committee in~~:~~ establishing investment policy, objectives, and guidelines~~;~~
   b. Directing asset allocation and selecting Investment Managers on a discretionary basis, subject to the guidelines and limits of this policy,~~;~~ and reviewing such managers ~~over time~~quarterly;
   c. ~~m~~Measuring and evaluating investment performance; and
   ~~2.~~d. ~~o~~Other tasks as deemed appropriate.

3. Investment Manager. ~~Investment Managers are typically hired by the Foundation on the recommendation of the Investment Consultant to the Finance and Investment Committee.~~ Investment Managers have discretion to purchase, sell, or hold the specific securities that will be used to meet the Foundation's investment objectives.

4. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Foundation, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Foundation accounts.

Commented [TD(1]: Under discretionary mandate, consultant is responsible for manager selection.

Formatted: Right: 0.03", Space Before: 0.35 pt, Tab stops: 0.97", Left + Not at 0.47"

Commented [TD(2]: Under discretionary mandate, consultant is responsible for manager selection

Formatted: Not Expanded by / Condensed by

5. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Finance and Investment Committee to assist the Board in meeting its responsibilities and obligations to administer Foundation assets prudently.

GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the Foundation.
2. The Foundation shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a Foundation of like character and with like aims.
3. Pursuant to UPMIFA, the Foundation will consider the following factors, if relevant, in managing and investing each donor fund, except as otherwise provided by a fund agreement:
    a. The purposes of the Foundation;
    b. The purposes of the donor fund;
    c. General economic conditions;
    d. The possible effect(s) of inflation or deflation;
    e. The expected tax consequences, if any, of investment decisions or strategies;
    f. The role that each investment plays within the overall investment portfolio;
    g. The expected total return;
    h. Other resources of the Foundation;
    i. The needs of the Foundation and the donor fund to make distributions and to preserve capital; and an asset's special relationship or value, if any, to the purposes of the Foundation or donor fund.
4. Cash is to be employed productively at all times by investment in short-term cash equivalents to provide safety, liquidity, and return. As soon as it is practical, the Cabrillo College Foundation will invest in institutions within the FDIC insured limits.

Definition of Risk

The Finance and Investment Committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Cabrillo College Foundation assets understands how it defines risk so that the assets are managed in a manner consistent with the Foundation's objectives and investment strategy as designed in this statement of investment policy. The Finance and Investment Committee defines risk as:

The probability of not meeting the Foundation's objectives.

Liquidity

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Finance and Investment Committee will periodically provide the Investment Consultant with an estimate of expected net cash flow. The Finance and Investment Committee will notify the Investment Consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

To maintain the ability to deal with unplanned cash requirements that might arise, the Finance and Investment Committee requires that a minimum of 2% of Foundation assets shall be maintained in cash or cash equivalents, including money market Funds or short-term U.S. Treasury bills.

Allowable Investments

1. Cash Equivalents
    - Treasury Bills
    - Money Market Funds
    - Short Term Investment Funds
    - Commercial Paper
    - Banker's Acceptances
    - Repurchase Agreements
    - Certificates of Deposit

2. Fixed Income Securities
    - U.S. Government and Agency Securities
    - Corporate Notes and Bonds
    - Mortgage Backed Bonds
    - Preferred Stock
    - Fixed Income Securities of Foreign Governments and Corporations
    - Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs

3. Equity Securities
    - U.S. Common Stocks
    - Convertible Notes and Bonds
    - Convertible Preferred Stocks
    - American Depository Receipts (ADRs) of Non-U.S. Companies
    - International Common Stocks including Developed & Emerging Markets
    - REITS

4. Mutual Funds
    - Mutual Funds which invest in securities as allowed in this statement.

5. Alternative Investments

- Definition
  While there is no uniform definition of the term "alternative investments," for the purpose of this policy, the Foundation defines alternative investments as strategies that seek to provide attractive returns and diversification through the ownership of non-traditional assets (those other than public equities, fixed income, or cash), or through the use of innovative and flexible strategies (such as the ability to short, add leverage and/or hedge). Examples could include, but are not limited to private equity, private real estate, other private investments focusing on real assets, commodities, hedge funds, and derivatives-based strategies. These strategies may be structured as illiquid, partially liquid, or fully marketable investments.

- Liquidity
  The Foundation recognizes that certain alternative investments entail a greater degree of illiquidity, such as private equity, real estate, infrastructure, private partnership vehicles, etc. As a long-term investor, the Foundation has the ability to bear some degree of illiquid investments, but consideration should be given to the size that such allocations may comprise in times of market stress to ensure that the overall allocation to such categories does not exceed the intent of policy and negatively impact the Foundation's ability to meet ongoing cash flow needs.
  Therefore, investment strategies or vehicles that require longer than three (3) months to liquidate will require Finance and Investment Committee approval.
  ~~As such, the allocation to investment strategies or vehicles with less than daily quarterly liquidity shall be limited to 25% of the overall allocation to alternative investments.require Finance and Investment Committee approval.~~

Commented [TD(3]: As the Foundation has grown, the opportunity set in private markets has expanded and will likely become a more important component of the allocation. Many of these opportunities are less liquid and have higher investment minimums. Relaxed daily liquidity constraints, but maintained Committee oversight and approval of any investments that do not offer at least quarterly liquidity.

- Transparency
  The Foundation shall only invest in alternative investments which provide sufficient transparency into the investment decision-making process and any expenses, and regularly report position-level portfolio holdings.

- Leverage
  Leverage is a condition where the net potential monetary exposure of an obligation exceeds the value of the underlying assets. Leverage is not permitted at the total portfolio level. Underlying investment managers may use leverage so long as it is used in a manner consistent with the discipline for which the Foundation hired the investment manager and does not introduce material leverage at the total portfolio level. Use of leverage will be controlled by the investment manager's guidelines and will be subject to review by the Investment Consultant and Investment Committee.

- Derivatives and Derivative Securities
  Certain of the Foundation's managers may be permitted under the terms of their specific investment guidelines to use derivative instruments. Derivatives are contracts or securities whose market value is related to the value of another security, index, or financial instrument. Investments in derivatives include (but are not limited to) futures, forwards, options, options on futures, warrants, and interest-only and principal-only strips. Examples of appropriate applications of derivative strategies

include hedging market, interest rate, or currency risk, maintaining exposure to a desired asset class while making asset allocation changes, gaining exposure to an asset class when it is more cost-effective than the cash markets, and adjusting duration within a fixed income portfolio. No derivative positions can be established that have the effect of creating portfolio characteristics outside of portfolio guidelines. Investment managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions. Each manager using derivatives shall (1) exhibit expertise and experience in utilizing such products; (2) demonstrate that such usage is strategically integral to their security selection, risk management, or investment processes; and (3) demonstrate acceptable internal controls regarding these investments.

Prohibited Investments

~~Prohibited investments include, but are not limited to the following~~While the Foundation may consider professionally managed strategies that include one or more of the following, direct investment in the following investment or transaction types are prohibited:

1. Private Placements
2. Venture-Capital Investments
3. Derivative Investments (except as described above)
4. Non traded REITs

~~***Prohibited Transactions***~~

~~Prohibited transactions include, but are not limited to the following:~~

~~1.~~ 5. Short Selling (except within alternative investments)
~~2.~~ 6. Margin Transactions

Volatility of Returns

The Foundation acknowledges that it will experience volatility of returns and fluctuations in the market value of its assets. While the Foundation's primary concern is the achievement of its investment objectives, it is the policy of the Foundation that its Investment Consultant(s) and Investment Managers minimize the probability of losses greater than 15.0% over any one year period.

Diversification for Investment Managers

The Finance and Investment Committee does not believe it is necessary or desirable that securities held in the Foundation represent a cross-section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 5% of the total Foundation assets, and no more than 20% of the total Foundation assets should be invested in any one industry.

Commented [TD(4]: Clarified to restrict stand-alone/direct transactions in these investments, while allowing for their inclusion in professionally managed strategies.

Formatted: Indent: Left: 0.32", No bullets or numbering

Formatted: List Paragraph, Space Before: 0 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.07" + Indent at: 0.32", Tab stops: 0.32", Left

Formatted: Indent: Left: 0"

Formatted: Indent: Left: 0"

Formatted: Normal, No bullets or numbering

Formatted: Font: 12 pt

Formatted: Font: 12 pt

INVESTMENT CONSULTANT REVIEW

Every five years, or earlier if conditions warrant, the Finance and Investment Committee will determine if they want to entertain having other Investment Consultants submit proposals to manage the Cabrillo College Foundation investments.

INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Finance and Investment Committee plans to review the Statement of Investment Policy at least annually.

The original Statement of Investment Policy was adopted on March 10, 1999 by the Finance and Investment Committee of the Cabrillo College Foundation.

APPENDIX A - SPENDING POLICY AND INVESTMENT OBJECTIVES FOR ENDOWED FUNDS

SPENDING POLICY

The Endowment's spending policy requires a target total return of 7.0%. The target distribution rate of 4.0% will be calculated over a trailing 12-quarter period for endowment funds with a current market value that is greater than or equal to 80% of the historical gift balance. *The Spending Policy is 7.0% = 4.0% distribution rate + 1.5% inflation factor + 1.5% management fee*.

INVESTMENT OBJECTIVES

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, Investment Consultants should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Finance and Investment Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Foundation's objectives. However, the Investment Consultants are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline - Investment Managers are expected to adhere to the investment management styles for which they were hired. Investment Managers will be evaluated regularly for adherence to investment discipline.
4. In order to meet its needs, the investment strategy of the Cabrillo College Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

APPENDIX B - SHORT-TERM PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon
The Short-Term Portfolio is intended for non-endowed donor funds with short-term (0-1 year) spending plans.

Investment Objective
The objectives of the Short-Term Portfolio are capital preservation and liquidity. The portfolio will be invested in cash or cash equivalents, including money market funds.

Asset Allocation Guidelines

Asset Class	Minimum %	Maximum %
Cash & Cash Equivalents	100	100

APPENDIX C - INTERMEDIATE PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon
The Intermediate Portfolio is intended for non-endowed donor funds with intermediate-term (1-5 years) spending plans.

Investment Objective
The objective of the Intermediate Portfolio is preservation of purchasing power. The portfolio may hold cash, but will primarily be invested in a combination of U.S. Government and Corporate bonds with a maximum average duration of four years, and no single security maturity greater than 10 years.

Asset Allocation Guidelines

Asset Class	Board-Approved Minimum and Maximum % (For Committee Use)	Committee-Approved Minimum and Maximum % (For Discretionary Advisor Use)
Fixed Income	50-100	50-100
Cash & Cash Equivalents	0-50	0-50

APPENDIX D - LONG-TERM PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon
The Long-Term Portfolio is intended for endowed funds and donor funds with long-term (5+ years) spending plans. Endowed funds must either be invested in the Long-Term Portfolio or the ESG Long-Term Portfolio (See Appendix E).

Investment Objective
The objective of the Long-Term Portfolio is to exceed a total rate of return of 7.0%, net of fees, while making reasonable efforts to minimize volatility and risk.

Asset Allocation Guidelines

Asset Class	Board-Approved Minimum and Maximum % (For Committee Use)	Committee-Approved Minimum and Maximum % (For Discretionary Advisor Use)
U. S. Equities	25-65	25-35
International Equities	15-35	25-35
Fixed Income	15-40	15-25
Alternatives	0-20~~15~~	5-15
Cash & Cash Equivalents	0-5	0-5

Commented [TD(5]: Increased from 15%

APPENDIX E - ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG") LONG-TERM PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Time Horizon
The ESG Long-Term Portfolio is intended for endowed funds and endowed donor funds with long-term (5+ years) spending plans. Endowed funds must either be invested in the ESG Long-Term Portfolio or the Long-Term Portfolio (See Appendix D).

Investment Objective
The objective of the ESG Long-Term Portfolio is to exceed a total rate of return of 7.0%, net of fees, while making reasonable efforts to minimize volatility and risk. The Cabrillo College Foundation is sensitive to providing an opportunity to donors wishing to take into consideration Environmental, Social, and Corporate Governance (ESG) issues when making investment decisions.

In accordance with this policy, the Environment, Social, and Governance Portfolio will seek to include those companies that promote environmental, social, and corporate governance concerns and will be screened based on the following:

- *Environmental Screens* – Climate Change, Responsible Disposal of Hazardous Waste, Promotion and Use of Alternative Energy, and Sustainability.
- *Social Screens* – Promotion of Diversity, Human rights, Consumer Protection, and Animal Welfare, in addition to the exclusion of companies producing Alcohol, Nuclear Power, Firearms, Tobacco, Military Weapons, Gambling, and Adult Entertainment.
- *Corporate Governance Screens* – Management Structure, Employee Relations, and Executive Compensation.
- *Exclusionary Screen* – Divestment from ownership of companies that are members of the Global Industry Classification Standard (GICS) sub-industry Coal and Consumable Fuels* (*Defined by MSCI and Standard & Poor's as companies primarily involved in the production and mining of coal, related products and other consumable fuels related to the generation of energy. Excludes companies primarily producing gases classified in the Industrial Gases sub-industry and companies primarily mining for metallurgical [coking] coal used for steel production.)

Asset Allocation Guidelines

Asset Class	Board-Approved Minimum and Maximum % (For Committee Use)	Committee-Approved Minimum and Maximum % (For Discretionary Advisor Use)
U. S. Equities	25-65	25-35
International Equities	15-35	25-35
Fixed Income	15-40	20-35
Alternatives	0-20~~15~~	0-15
Cash & Cash Equivalents	0-5	0-5

Commented [TD(6]: Increased from 15%

APPENDIX F – TITLE III ENDOWMENT PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Background
The Title III Endowment was established in September 2012 as part of The Foundation's efforts to meet the challenge of matching available federal funds, which are to be used to provide STEM scholarships for low-income and Latino students. At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy, and the Board may approve returning a portion of the distributable percentage to the principal to be reinvested.

Time Horizon
The corpus of Title III Endowment is intended to be held in perpetuity.

Investment Objective
The investment objective of the Title III Portfolio is principal preservation and conservative growth.

Allowable Investments
Savings accounts or low-risk securities in which a regulated insurance company may invest under California law, including interest bearing accounts, money market funds, certificates of deposit, mutual funds, stocks, or bonds. The endowment may not be invested in real estate.

Asset Allocation Guidelines

Asset Class	Board-Approved Minimum and Maximum % (For Committee Use)	Committee-Approved Minimum and Maximum % (For Discretionary Advisor Use)
U. S. Equities	5-25	10-20
International Equities	5-25	10-20
Fixed Income	50-80	55-65
Alternatives (Mutual Funds)	0-5	0-5
Cash & Cash Equivalents	5-15	5-15

Spending Policy
Spendable income from the endowment shall be calculated annually as a percentage of the growth of the endowment. The maximum allowable percentage of earnings on the endowment

that may be expended annually must be in compliance with the Cabrillo College Foundation's Title III investment and spending policy and in compliance with Title III Federal guidelines. Of the allowable amount that may be expended annually, fifty percent (50%) shall be returned to the principal and reinvested, and the remaining fifty percent (50%) shall be distributed for the administrative costs and purposes designated by the donor as follows:

- Up to 1.5% Cabrillo College Foundation management fee as funds are available
- Up to 4.0% of 12 trailing quarters as funds are available after assessing the management fee

At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy. If in the best judgment of the Cabrillo College Foundation Board of Directors it is deemed wise and prudent, a portion of the distributable percentage may be returned to the principal and be reinvested. Endowment funds may be pooled with other invested assets for purposes of determining total annual return.

APPENDIX G – TITLE V ENDOWMENT PORTFOLIO

INVESTMENT OBJECTIVES AND ALLOCATION GUIDELINES

Background
The Title V Endowment was established in October 2009 as part of the Foundation's efforts to meet the challenge of matching available federal funds, which are to be used for scholarships for students. At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy, and the Board may approve returning a portion of the distributable percentage to the principal to be reinvested.

Time Horizon
The corpus of Title V Endowment is intended to be held in perpetuity.

Investment Objective
The investment objective of the Title V Portfolio is principal preservation and conservative growth.

Allowable Investments
Savings accounts or low-risk securities in which a regulated insurance company may invest under California law, including interest bearing accounts, money market funds, certificates of deposit, mutual funds, stocks, or bonds. The endowment may not be invested in real estate.

Asset Allocation Guidelines

Asset Class	Board-Approved Minimum and Maximum % (For Committee Use)	Committee-Approved Minimum and Maximum % (For Discretionary Advisor Use)
U. S. Equities	5-25	10-20
International Equities	5-25	10-20
Fixed Income	50-80	55-65
Alternatives (Mutual Funds)	0-5	0-5
Cash & Cash Equivalents	5-15	5-15

Spending Policy

Spendable income from the endowment shall be calculated annually as a percentage of the growth of the endowment. The maximum allowable percentage of earnings on the endowment that may be expended annually must be in compliance with the Cabrillo College Foundation's

Title V investment and spending policy and in compliance with Title V Federal guidelines. Of the allowable amount that may be expended annually, fifty percent (50%) shall be returned to the principal and reinvested, and the remaining fifty percent (50%) shall be distributed for the administrative costs and purposes designated by the donor as follows:

- Up to 1.5% Cabrillo College Foundation management fee as funds are available
- Up to 4.0% of 12 trailing quarters as funds are available after assessing the management fee

At the end of the 20-year grant term, the endowment will revert to the Cabrillo College Foundation Statement of Investment Policy. If in the best judgment of the Cabrillo College Foundation Board of Directors it is deemed wise and prudent, a portion of the distributable percentage may be returned to the principal and be reinvested. Endowment funds may be pooled with other invested assets for purposes of determining total annual return.

CABRILLO COLLEGE FOUNDATION
BOARD OF DIRECTORS MEETING
Minutes of February 9, 2021

Directors Present: Rob Allen, Peg Ard, Michele Bassi, Claire Biancalana, Owen Brown, Linda Burroughs, Ceil Cirillo, David Heald, Matt Huffaker, Amy Lehman, Kelly Nesheim, Amy Newell, Ed Newman, Bradley Olin, June Padilla Ponce, Patty Quillin, Gun Ruder, Karen Semingson, Rachael Spencer, Trevor Struldley, Kate Terrell, Julie Thiebaut, Rachel Wedeen, Kathleen Welch, Matt Wetstein, Donna Ziel

Directors Absent: Erica Ow, Maria Esther Rodriguez, Kristin Wilson

Staff Present: Eileen Hill, Nancy Machado, Lori Hood, Caitlin Bonura, Kate Staveland

Guests Present: Nikia Chaney, Raina Chelise, Jean Gallagher-Heil, David King, James Page, Angelo DeBernardo, Howard Loomis. Dave Reynolds

---

Call to Order
Claire Biancalana called the meeting to order at 12:01 pm.

Approval of Agenda
Motion: MSC: C. Cirillo/R. Allen. The Board voted unanimously to approve the Board agenda.

Public Comment Opportunity
There were no members of the public in attendance.

Special Presentations
Claire Biancalana introduced Angelo DeBernardo. Angelo DeBernardo from Santa Cruz County Bank reported that the Foundation received check for $5,170 from the CalCPA Attorneys, Bankers and CPA group. The donation comes from part of the proceeds of a networking event that the Attorneys, Bankers, CPA's Group (ABC) puts on twice a year. There is currently over $75,000 in the scholarship endowment and they hope to award three scholarships per year.

Owen Brown gave an overview of the Faculty and Staff Grants program to support Cabrillo College faculty. Owen introduced 5 grant recipients who described their projects that were funded by these grants.

Nikia Chaney and Raina Chelise described their project, Amplify: Cabrillo College Student Podcast. They received $3,000 to fund the project to create a podcast for students of color to share experiences.

Jean Gallagher-Heil described the Early Childhood Education department's Swivl Technology project that was funded by a $5,466 grant. Swivl Technology enables robotic devices to move about the ECE facility and record video of instruction.

David King received a $1,317 grant to update sound equipment in the Watsonville multi-use classroom A-130 and a $7,173 grant to replace the dance surface in Crocker Theater. The old surface is being utilized for outside instruction.

James Page from the Cabrillo Wellness Center received a $8,895 grant to further the Go Green Inititaive at the Wellness Center. They have purchased treadmills and other equipment that can produce power to run the facility. The goal is to have the entire facility to be self-powered.

Approve Board Meeting Minutes
Motion: MSC: R. Allen/D. Heald.

The following Board Members voted to approve the minutes of November 10, 2020:
Rob Allen, Michele Bassi, Claire Biancalana, Owen Brown, Linda Burroughs, Ceil Cirillo, David Heald, Matt Huffaker, Amy Lehman, Kelly Nesheim, Amy Newell, Ed Newman, Bradley Olin, June Padilla Ponce, Patty Quillin, Gun Ruder, Karen Semingson, Rachael Spencer, Trevor Struldley, Kate Terrell, Julie Thiebaut, Rachel Wedeen, Kathleen Welch, Matt Wetstein and Donna Ziel

The following Board Members abstained:
Pegi Ard

The following Board Members were absent: Erica Ow, Maria Esther Rodriguez, Kristin Wilson

Approve Financial Statements
Pegi Ard reported as of December 31, 2020, the total assets were $43.7M, $4.7M over prior year. Net assets were $41.9M, $5.6M over prior year. The total revenue for unrestricted, non-endowed and endowed funds was $9.0M. Total expenses were $1.3M with a surplus for all funds of $7.7M. The total operating revenue was $633K and expenses $457K. The operating surplus was $175K.
Motion: MSC: G. Ruder/Ceil Cirillo. The Board voted unanimously to approve the December 31, 2020 Financial Statements.

Cabrillo College President Report
Matt Wetstein reported that in December, the COVID-19 Relief bill passed by Congress was signed into law. The specific fund allocations for each college were released by the U.S. Department of Education and Cabrillo College's share is $8.8 million. The law requires that a minimum of $2.0 million must be provided directly to students in the form of emergency grants. Cabrillo College has decided to allocate $2.5M for these emergency grants. Phase I will start with $750 grants to the most needy students based on their financial aid reports. The balance of funds will be allocated to institutional projects and spending to ensure continuity of instruction during and immediately after the pandemic. High on the list of priorities will be key facilities and technology investments to

ensure safe operation and continuity of online services; continuing investments in professional development for staff and faculty; more investments in laptops and equipment to support student success; more personal protective equipment for college staff and students; and financing to address re-opening plans for all of the college's buildings.

Executive Director Report
Eileen Hill reported that the Foundation staff has been working on the 2021-22 Budget, PPP Loan forgiveness and the Form 990. The Nominating Committee will be meeting soon to discuss potential new Board members for the upcoming year.

Eileen said that staff have been successfully recreating events to a virtual format and the President's Holiday Drive Thru event had approximately 240 attendees!

Eileen informed the group that $4,490,165 in outright gifts has been raised, exceeding the 2020-21 goal of $3M. $2.6M of this came as an anonymous donation for student tutoring. $100,000 of this gift will be allocated immediately to fund student tutors and the program, and the remaining $2.5M will be invested in the Foundation ESG fund to create an endowment for permanent funding. Eileen introduced Kathy Welch, Cabrillo's VP of Instruction and Dave Reynolds, Cabrillo's Dean of Natural and Applied Sciences to describe the impact of this gift to Cabrillo.

Kathy told the group that historically, it has not been possible to have stable funding for the tutoring centers at the Aptos and Watsonville campuses. With the anonymous gift, both tutoring centers now have stable funding now and in the future.

Dave Reynolds talked about the importance of peer-to-peer tutoring, particularly in math. He described the change in the math department to place new students directly into transfer level math as opposed to remedial math courses. With this change comes an increased need for tutoring in the tutoring centers as well as having embedded tutors in the classes and tutors giving supplemental instruction. The funds from the anonymous gift to tutoring will help in all of these areas.

Net Assets, Endowed Net Assets and Historical Gifts Chart
The ending net assets balance as of December 31, 2020 was $41,898,631. The endowed net assets balance was $37,322,780. The endowed historical gifts value was $29,637,064.

Investment Activity review:
Investment Report – December 31, 2020

- Our return on investments for the MS Long-Term Pool fiscal year to date as of December 31, 2020 (6 months) is as follows:

Actual Return:	16.46%
Benchmark Return:	16.45%
Difference:	0.01%

- Our return on investments for the MS ESG Long-Term Pool fiscal year to date as of December 31, 2020 (6 months) is as follows:

Actual Return:	16.55%
Benchmark Return:	17.15%
Difference:	- 0.60%

- Our return on investments for the MS Intermediate-Term Pool year to date as of December 31, 2020 (6 months) is as follows:

Actual Return:	0.28%
Benchmark Return:	0.44%
Difference:	- 0.16%

- Our return on investments for the MS Short-Term Pool fiscal year to date as of December 31, 2020 (6 months) is as follows:

Actual Return:	0.20%
Benchmark Return:	0.03%
Difference:	0.17%

- Our return on investments for the MS Title III Pool fiscal year to date as of December 31, 2020 (6 months) is as follows:

Actual Return:	6.68%
Benchmark Return:	6.57%
Difference:	0.11%

- Our return on investments for the MS Title V Pool fiscal year to date as of December 31, 2020 (6 months) is as follows:

Actual Return:	8.19%
Benchmark Return:	7.49%
Difference:	0.70%

President's Circle

Michele Bassi reported that the 2020-2021 campaign goal is $398,000 and $414,743 has been raised to date for the President's Circle. There are 22 new members and 11 rejoining members have increased their support this year. Reminders were recently mailed to all donors who gave last year, but not yet this year.

Cabrillo Advancement Program

Eileen Hill reported that due to COVID and challenges with online learning, several adjustments have been made to this year's CAP program. Recruitment of new 6th graders and the CAP Awards Ceremony has been postponed until Spring 2022. Two cohorts per school of 6th graders and 7th graders (7th graders that would have been selected as 6th graders spring 2021) will be selected. CAP Staff are meeting with students virtually and checking in on families. CAP Peer Advisors are holding virtual hours weekly or bi-weekly (depending on school). CAP Peer Advisors continue to check in with individual students in their "caseload" virtually. Per our survey, students DO NOT wish to have a virtual Summer Institute (Zoom fatigue). Instead, a "CAP Summer Institute by mail" is being planned. CAP students will be mailed an activity packet (with goodies) for kids to complete over the summer at their leisure.

Scholarships

Rachael Spencer reported that despite so much uncertainty in our world right now, scholarships are helping students plan for their future. This critical financial support encourages them to stay enrolled and gives them hope when they need it most. In December, committee members helped to personalize our annual year-end solicitation to scholarship donors. They added hand-written notes to the letters for our endowed scholarship donors, thanking them for their support. To date, we have raised over $750,000 this fiscal year in scholarship funds. Scholarship opportunities are beginning to be publicized for Cabrillo students and applications are open.

2021-22 Budget Timeline

Nancy Machado provided a budget timeline for 2021-22. The Board will receive the budget for approval at its May 11, 2021 meeting.

990 Timeline

Nancy Machado gave a projection for the 2019/20 Cabrillo College Foundation federal Form 990 process.

Cabrillo College 2021 Priorities - Breakout discussion and survey

Matt Wetstein described an exercise that was done with the President's Advisory Committee to provide input on the priorities of Cabrillo College. The committee members completed a survey that was created to rank the importance of various projects/concerns at the college. Matt asked Foundation Board members, as members of the community, to split into breakout rooms to discuss priorities and then complete the survey. Matt explained that over the course of the spring, he will be gathering more of these surveys from different populations such as faculty, students and staff. Matt will provide the results to the Foundation Board at the May Board Meeting.

Committee Calendar

Claire Biancalana reviewed the committee calendar highlighting a few upcoming dates.

Adjournment

The meeting was adjourned at 1:24 pm

Respectfully submitted,

Eileen Hill, Executive Director

2020-21 Board Meetings:

Tuesdays, 12:00 pm – 2:00 pm

May 11, 2021

BOARD OF DIRECTORS ATTENDANCE CHART

Board of Directors	9/8/20	11/10/20	2/9/21	5/11/21
Rob Allen	P	P	P	
Pegi Ard	P	A	P	
Michele Bassi	P	P	P	
Claire Biancalana	P	P	P	
Owen Brown	P	P	P	
Linda Burroughs	P	P	P	
Ceil Cirillo	P	P	P	
David Heald	A	P	P	
Matt Huffaker	P	P	P	
Amy Lehman	P	P	P	
Kelly Nesheim	P	P	P	
Amy Newell	P	P	P	
Ed Newman	P	P	P	
Bradley Olin	P	P	P	
Erica Ow	P	P	A	
June Padilla Ponce	P	P	P	
Patty Quillin	P	P	P	
Maria Esther Rodriguez	P	A	A	
Gun Ruder	P	P	P	
Karen Semingson	P	P	P	
Rachael Spencer	P	P	P	
Trevor Strudley	P	P	P	
Kate Terrell	A	P	P	
Julie Thiebaut	P	P	P	
Rachel Wedeen	P	P	P	
Kathleen Welch	P	P	P	
Matt Wetstein	P	P	P	
Kristin Wilson	A	A	A	
Donna Ziel	P	P	P	

P=Present, A=Absent, N/A=Not applicable, not on the Board at the time. Based on Board of Director's meeting minutes. Please contact Cabrillo College Foundation if you believe this chart is in error.

CABRILLO COLLEGE FOUNDATION
March 31, 2021 Condensed Narrative
Updated April 27, 2021

(1) Balance Sheet

- **Total Assets:**
  Total assets of $45.3M are $11.2M over prior year primarily due to the combined increases in the cash and investment accounts.

- **Receivables:**
  Total pledges receivable are $535K less than prior year. This is a combination of pledge payments received in the first nine months of this fiscal year and write off of a $210K receivable that was on the books last year at this time.

- **Liabilities:**
  Total Liabilities of $1.7M are $169K over prior year primarily due increases in the Accrued Health Benefits ($64K), Accrued Retiree Medical Benefits and Unfunded PERS Pension Liability ($68K) and Scholarships and WES Grants payable ($31K).

- **Net Assets**:
  Total net assets of $43.6M are $10.9M over prior year.

(2) Income Statement

- **Revenue:**
  Total Revenue is $11.8M higher than prior year. Earned income is $9.3M higher compared to prior year mostly due to investment income and Contributions are $2.5M higher primarily resulting from the generosity of an anonymous donation of $2.6M to the Tutoring Center.

- **Expenses:**
  Total Expenses of $2.0M are $258K lower than prior year. Program expenses were lower and scholarships higher than prior year. This fiscal year we allocated funds raised to support Cabrillo employees and students who were impacted by the August 2020 wildfires, emergency grants for Cabrillo employees to purchase equipment needed to work remotely and continued to provide support to students in need of emergency grants.

- **Surplus/Deficit:**
  As of March 31, 2021, the Cabrillo College Foundation has a $9.4M surplus compared to prior year surplus of -$2.6M.

(3) Operational Budget to Actual

- **Revenue:**
  Operating revenue of $1.0M is $294K favorable vs budget. Earned income is $130K better than budget mostly due to increased endowment management fee income. Contributed income is $164K favorable versus budget primarily due to the PPP Loan ($103K) and the President's Circle income ($65K) over projected for the nine months ending March 31, 2021.

- **Expenses:**
  Operating expenses of $673K are $87K favorable vs projection. The areas of savings were in Salaries, Payroll Taxes and Benefits, Accounting/Legal/Professional Fees, Fundraising expenses and Uncollectible Pledges.

- **Surplus/Deficit:**
  The operating fund surplus is $350K compared to last year's surplus of $212K. This is the combined effect of increased income and lower expenses for the first nine months of this fiscal year.

Cabrillo College Foundation
Balance Sheet as of March 31, 2021
With Comparative Totals as of March 31, 2020

	Operating 03/31/21 A	Nonendowed 03/31/21 B	Endowed 03/31/21 C	Total 03/31/21 D	Total 03/31/20 E
ASSETS					
CASH AND INVESTMENTS					
CASH					
SANTA CRUZ COUNTY BANK	$18,932	$113,993	$68,252	$201,177	$1,389
SANTA CRUZ COUNTY BANK	$22,345	$5,898	$28,105	$56,349	$248,224
PAYPAL	$5,001	$0	$0	$5,001	$0
BAY FEDERAL CREDIT UNION	$6,172	$0	$1,290	$7,462	$7,459
BAY FEDERAL CREDIT UNION	$176,583	$0	$0	$176,583	$175,547
MORGAN STANLEY MID TERM POOL	$410,307	$479,314	$0	$889,621	$889,224
MORGAN STANLEY NONENDOWED	$1,239,494	$2,893,994	$0	$4,133,487	$3,613,167
MORGAN STANLEY GIFT RECEIPT	$7,369	($250)	$1,971	$9,090	$16,562
SANTA CRUZ COUNTY BANK	$0	$0	$0	$0	$79,277
SUBTOTAL CASH	$1,886,203	$3,492,948	$99,619	$5,478,770	$5,030,849
INVESTMENTS					
MORGAN STANLEY TITLE III/V HOLDING	$1	$0	$16,011	$16,012	$9,814
MORGAN STANLEY LONG TERM POOL	$119,557	$0	$32,874,934	$32,994,491	$24,987,639
MORGAN STANLEY TITLE V	$0	$0	$1,248,119	$1,248,119	$1,083,671
MORGAN STANLEY TITLE III	$0	$0	$291,079	$291,079	$250,091
MORGAN STANLEY ESG	$14,831	$0	$4,189,280	$4,204,111	$1,162,113
SUBTOTAL INVESTMENTS	$134,390	$0	$38,619,422	$38,753,811	$27,493,326
TOTAL CASH AND INVESTMENTS	$2,020,592	$3,492,948	$38,719,040	$44,232,581	$32,524,175
RECEIVABLES					
PLEDGES					
PLEDGES - UNRESTRICTED	$10,169	$0	$0	$10,169	$18,095
PLEDGES - ANNUAL FUND	$50	$0	$0	$50	$7,215
PLEDGES - RESTRICTED	$0	$128,880	$703,560	$832,440	$1,355,271
ALLOWANCE FOR UNCOLLECTIBLE PLEDGES	($18)	$0	$0	($18)	($2,525)
SUBTOTAL PLEDGES	$10,202	$128,880	$703,560	$842,642	$1,378,055
ACCOUNTS RECEIVABLE					

Cabrillo College Foundation
Balance Sheet as of March 31, 2021
With Comparative Totals as of March 31, 2020

	Operating 03/31/21 A	Nonendowed 03/31/21 B	Endowed 03/31/21 C	Total 03/31/21 D	Total 03/31/20 E
ACCOUNTS RECEIVABLE	$0	$585	$0	$585	$3,416
TOTAL ACCOUNTS RECEIVABLE	$0	$585	$0	$585	$3,416
OTHER RECEIVABLES					
SPLIT INTEREST AGREEMENTS	$44,459	$43,179	$10,571	$98,210	$134,920
SUBTOTAL OTHER RECEIVABLES	$44,459	$43,179	$10,571	$98,210	$134,920
TOTAL RECEIVABLES	$54,661	$172,644	$714,131	$941,437	$1,516,392
FIXED ASSETS					
OFFICE EQUIPMENT	$36,303	$0	$0	$36,303	$36,303
ACCUMULATED DEPRECIATION	($34,386)	$0	$0	($34,386)	($33,175)
TOTAL FIXED ASSETS (NET)	$1,917	$0	$0	$1,917	$3,128
PREPAID EXPENSES	$5,020	$0	$0	$5,020	$4,877
PREPAID RETIREMENT EXPENSE	$8,545	$0	$0	$8,545	$13,543
DEFERRED OUTFLOWS - FY PERS EXPENSE	$34,190	$0	$0	$34,190	$30,779
DEFERRED OUTFLOWS - PENSION INVESTMENTS	$55,821	$0	$0	$55,821	$70,315
DEFERRED OUTFLOWS- OPEB PENSION INVESTMENTS	$35,486	$0	$0	$35,486	$0
TOTAL ASSETS	$2,216,233	$3,665,593	$39,433,171	$45,314,997	$34,163,209

Cabrillo College Foundation
Balance Sheet as of March 31, 2021
With Comparative Totals as of March 31, 2020

	Operating 03/31/21 A	Nonendowed 03/31/21 B	Endowed 03/31/21 C	Total 03/31/21 D	Total 03/31/20 E
LIABILITIES AND NET ASSETS					
LIABILITIES					
PAYABLES AND ACCRUED EXPENSES					
ACCOUNTS PAYABLE	$2,413	$521	$300	$3,233	$3,872
ACCRUED PTO	$55,789	$0	$0	$55,789	$50,186
ACCRUED HEALTH BENEFITS	$95,476	$0	$0	$95,476	$31,203
SECTION 125 WITHHOLDINGS	$2,191	$0	$0	$2,191	$2,251
EMPLOYEE PORTION OF BENEFITS	$0	$0	$0	$0	$80
ACCRUED RETIREE MEDICAL BENEFITS	$158,975	$0	$0	$158,975	$120,755
UNFUNDED PERS PENSION LIABILITY	$476,536	$0	$0	$476,536	$446,969
DEFERRED INFLOWS - PERS	$18,951	$0	$0	$18,951	$18,324
SUBTOTAL PAYABLES, ACCRUED EXPENSES	$810,331	$521	$300	$811,152	$673,640
SCHOLARSHIPS AWARDED					
CAP SCHOLARSHIPS	$0	$33,997	$705,503	$739,500	$691,500
ENDOWED SCHOLARSHIPS	$0	$0	$6,000	$6,000	$18,500
NONENDOWED SCHOLARSHIPS	$0	$102,653	$0	$102,653	$113,986
SUBTOTAL SCHOLARSHIPS AWARDED	$0	$136,650	$711,503	$848,153	$823,986
WES GRANTS PAYABLE					
WES GRANTS	$0	$0	$7,320	$7,320	$246
SUBTOTAL WES GRANTS PAYABLE	$0	$0	$7,320	$7,320	$246
TOTAL LIABILITIES	**$810,331**	**$137,170**	**$719,123**	**$1,666,624**	**$1,497,872**
NET ASSETS					
OPERATING NET ASSETS					
DESIGNATED-OPERATING RESERVE	$509,995	$0	$0	$509,995	$489,805
DESIGNATED-PRESIDENT'S CIRCLE ENDOWMEN	$10,000	$0	$0	$10,000	$10,000
DESIGNATED-EQUIPMENT	$15,000	$0	$0	$15,000	$15,000
DESIGNATED-HURD TRIBUTE	$294,302	$0	$0	$294,302	$294,302
DESIGNATED-RETIREE MEDICAL BENEFITS	$67,727	$0	$0	$67,727	$60,705
UNDESIGNATED	$508,878	$0	$0	$508,878	$246,902
SUBTOTAL OPERATING NET ASSETS	$1,405,902	$0	$0	$1,405,902	$1,116,713

Cabrillo College Foundation
Balance Sheet as of March 31, 2021
With Comparative Totals as of March 31, 2020

	Operating 03/31/21 A	Nonendowed 03/31/21 B	Endowed 03/31/21 C	Total 03/31/21 D	Total 03/31/20 E
NET ASSETS - NONENDOWED	$0	$3,528,422	$0	$3,528,422	$3,726,014
NET ASSETS - ENDOWED	$0	$0	$38,714,048	$38,714,048	$27,822,609
TOTAL NET ASSETS	$1,405,902	$3,528,422	$38,714,048	$43,648,372	$32,665,337
TOTAL LIABILITIES AND NET ASSETS	$2,216,233	$3,665,593	$39,433,171	$45,314,997	$34,163,209
BEGINNING BALANCE WITH CURRENT YEAR ADJUSTMENTS	$1,055,678	$2,857,117	$30,305,343	$34,218,137	$35,282,065
NET SURPLUS/(DEFICIT)	$350,224	$671,305	$8,408,705	$9,430,235	($2,616,729)
ENDING NET ASSETS	$1,405,902	$3,528,422	$38,714,048	$43,648,372	$32,665,337

Cabrillo College Foundation
Income Statement by Fund as of March 31, 2021
With Comparative Totals as of March 31, 2020

	Operating 3/31/21 A	Nonendowed 3/31/21 B	Endowed 3/31/21 C	Total 3/31/21 D	Total 3/31/20 E
REVENUE					
EARNED INCOME					
INTEREST AND DIVIDENDS	$31,036	$0	$433,118	$464,154	$691,474
UNREALIZED GAIN/LOSS ON SECURITIES	($29,665)	$0	$4,702,865	$4,673,200	($2,607,630)
REALIZED GAINS/LOSSES	$13,553	$0	$726,869	$740,422	($1,458,682)
FEE INCOME	$51,623	$0	$0	$51,623	$34,316
OPERATIONAL ENDOWMENT PAYOUT	$14,359	$0	$0	$14,359	$14,276
ENDOWMENT MANAGEMENT FEE	$364,569	$0	$0	$364,569	$334,307
TOTAL EARNED INCOME	$445,474	$0	$5,862,852	$6,308,326	($2,991,938)
CONTRIBUTED INCOME					
RESTRICTED CONTRIBUTIONS	$0	$1,147,838	$3,426,558	$4,574,396	$2,187,012
OTHER INCOME	$358	$0	$0	$358	$4,196
ANNUAL FUND	$615	$0	$0	$615	$10,769
PRESIDENT'S CIRCLE GIFTS	$439,842	$0	$0	$439,842	$406,894
UNRESTRICTED GIFTS	$16,978	$0	$0	$16,978	$43,300
PPP LOAN FORGIVENESS	$102,569	$0	$0	$102,569	$0
INTERFUND CONTRIBUTIONS	$0	$817	($816)	$0	$0
IN KIND REVENUE	$0	$17,627	$0	$17,627	$10,764
IN KIND REVENUE-RENT	$17,788	$0	$0	$17,788	$17,784
TOTAL CONTRIBUTED INCOME	$578,150	$1,166,281	$3,425,742	$5,170,174	$2,680,719
TOTAL REVENUE	**$1,023,624**	**$1,166,281**	**$9,288,594**	**$11,478,500**	**($311,218)**
EXPENSES					
SALARIES & WAGES					
SALARIES & WAGES	$279,412	$0	$7,570	$286,983	$347,044
PPP LOAN PAYROLL COSTS	$92,561	$0	$0	$92,561	$0
TOTAL SALARIES & WAGES	$371,973	$0	$7,570	$379,544	$347,044
PAYROLL TAXES, BENEFITS					
PAYROLL TAXES, BENEFITS	$176,316	$0	$817	$177,134	$175,639
PPP LOAN BENEFITS & TAXES	$10,008	$0	$0	$10,008	$0
TOTAL PAYROLL TAXES, BENEFITS	$186,324	$0	$817	$187,142	$175,639

Cabrillo College Foundation
Income Statement by Fund as of March 31, 2021
With Comparative Totals as of March 31, 2020

	Operating 3/31/21 A	Nonendowed 3/31/21 B	Endowed 3/31/21 C	Total 3/31/21 D	Total 3/31/20 E
ADVERTISING	$0	$0	$0	$0	$75
PRINTING	$12,107	$0	$0	$12,107	$12,644
PHOTOS	$0	$0	$0	$0	$2,350
ACCOUNTING/LEGAL/PROFESSIONAL SERVICES	$23,485	$0	$0	$23,485	$26,382
FUNDRAISING/EVENTS/PUBLIC RELATIONS	$10,294	$0	$0	$10,294	$29,755
OFFICE EQUIP & MAINTENANCE					
OFFICE EQUIPMENT	$2,304	$0	$0	$2,304	$658
DEPRECIATION EXPENSE	$908	$0	$0	$908	$908
SOFTWARE MAINTENANCE	$9,646	$0	$0	$9,646	$9,408
SOFTWARE	$34	$0	$0	$34	$0
TOTAL OFFICE EQUIP & MAINTENANCE	$12,892	$0	$0	$12,892	$10,974
BOOKS/PUBLICATIONS/MEMBERSHIPS	$1,630	$0	$0	$1,630	$1,395
OFFICE SUPPLIES	$1,858	$0	$0	$1,858	$4,808
POSTAGE & MAILING SERVICE	$6,212	$0	$0	$6,212	$5,612
BOARD EXPENSES	$0	$0	$0	$0	$3,305
OTHER EXPENSES					
MISCELLANEOUS	$483	$0	$0	$483	$2,274
UNCOLLECTIBLE PLEDGES	$1,793	$100	$0	$1,893	$8,813
BOND CAMPAIGN SUPPORT-DIRECT EXPENSES	$0	$0	$0	$0	$49,999
MILEAGE & PARKING	$453	$0	$0	$453	$463
INTERNET SERVICE	$475	$0	$0	$475	$921
IT HOSTING SERVICE	$10,314	$0	$0	$10,314	$9,355
BANK CHARGES	$6,767	$0	$0	$6,767	$6,104
INVESTMENT FEES	$3,138	$0	$100,218	$103,356	$103,248
MANAGEMENT FEES	$0	$0	$364,569	$364,569	$334,307
DIRECTOR/OFFICER LIABILITY INS	$2,485	$0	$0	$2,485	$2,294
LIABILITY AND PROPERTY INSURANCE	$2,929	$0	$0	$2,929	$2,929
TOTAL OTHER EXPENSES	$28,836	$100	$464,787	$493,723	$520,707
IN KIND EXPENSE	$0	$17,627	$0	$17,627	$10,764
IN KIND EXPENSE - RENT	$17,788	$0	$0	$17,788	$17,784

Cabrillo College Foundation
Income Statement by Fund as of March 31, 2021
With Comparative Totals as of March 31, 2020

	Operating 3/31/21 A	Nonendowed 3/31/21 B	Endowed 3/31/21 C	Total 3/31/21 D	Total 3/31/20 E
NONENDOWED PROGRAM EXPENSES	$0	$214,484	$0	$214,484	$526,351
ENDOWED PROGRAM EXPENSES	$0	$0	$180,894	$180,894	$145,604
SCHOLARSHIPS	$0	$262,765	$225,820	$488,585	$464,317
TOTAL EXPENSES	$673,400	$494,976	$879,889	$2,048,265	$2,305,510
NET SURPLUS/(DEFICIT)	$350,224	$671,305	$8,408,705	$9,430,235	($2,616,729)

Cabrillo College Foundation
Income Statement - Operating Budget as of 3/31/21
With Comparative Totals as of 3/31/20

	19-20 Actual 9 Months A	20-21 Actual 9 Months B	20-21 Budget 9 Months C	20-21 Actual To 20-21 Budget D	20-21 9 Mos. Actual and 3 Mos. Projected E	20-21 Annual Budget (Approved 5/12/20) F	Variance 20-21 8 Mos. Actual & 4 Mos. Projected to 20-21 Budget G
REVENUE							
EARNED INCOME							
INTEREST AND DIVIDENDS	$66,824	$31,036	$15,750	$15,286	$33,000	$21,000	$12,000
UNREALIZED GAIN/LOSS ON SECURITIES	($9,473)	($29,665)	$0	($29,665)	($29,665)	$0	($29,665)
REALIZED GAINS/LOSSES	$5,824	$13,553	$0	$13,553	$13,553	$0	$13,553
FEE INCOME	$34,316	$51,623	$27,690	$23,933	$101,172	$97,448	$3,724
OPERATIONAL ENDOWMENT PAYOUT	$14,276	$14,359	$15,700	($1,341)	$14,359	$15,700	($1,341)
ENDOWMENT MANAGEMENT FEE	$334,307	$364,569	$256,431	$108,138	$483,237	$341,908	$141,329
TOTAL EARNED INCOME	$446,076	$445,474	$315,571	$129,903	$615,656	$476,056	$139,600
CONTRIBUTED INCOME							
OTHER INCOME	$4,196	$358	$1,500	($1,142)	$2,000	$2,000	$0
ANNUAL FUND	$10,769	$615	$5,000	($4,385)	$615	$50,000	($49,385)
PRESIDENT'S CIRCLE GIFTS	$406,894	$439,842	$375,000	$64,842	$439,842	$390,100	$49,742
UNRESTRICTED GIFTS	$43,300	$16,978	$15,000	$1,978	$16,978	$20,000	($3,022)
PPP LOAN FORGIVENESS	$0	$102,569	$0	$102,569	$102,569	$0	$102,569
IN KIND REVENUE-RENT	$17,784	$17,788	$17,784	$4	$23,712	$23,712	$0
TOTAL CONTRIBUTED INCOME	$482,943	$578,150	$414,284	$163,866	$585,716	$485,812	$99,904
TOTAL REVENUE	$929,019	$1,023,624	$729,855	$293,769	$1,201,372	$961,868	$239,504
EXPENSES							
SALARIES & WAGES							
SALARIES & WAGES	$341,320	$279,412	$393,700	$114,287	$411,823	$521,271	$109,448
PPP LOAN PAYROLL COSTS	$0	$92,561	$0	($92,561)	$92,561	$0	($92,561)
TOTAL SALARIES & WAGES	$341,320	$371,973	$393,700	$21,726	$504,384	$521,271	$16,887
PAYROLL TAXES, BENEFITS							
PAYROLL TAXES, BENEFITS	$175,027	$176,316	$198,772	$22,455	$243,448	$269,023	$25,575
PPP LOAN BENEFITS & TAXES	$0	$10,008	$0	($10,008)	$10,008	$0	($10,008)
TOTAL PAYROLL TAXES, BENEFITS	$175,027	$186,324	$198,772	$12,447	$253,456	$269,023	$15,567
ADVERTISING	$75	$0	$1,000	$1,000	$1,000	$1,000	$0
PRINTING	$12,644	$12,107	$15,750	$3,643	$21,000	$21,000	$0

Cabrillo College Foundation
Income Statement - Operating Budget as of 3/31/21
With Comparative Totals as of 3/31/20

	19-20 Actual 9 Months A	20-21 Actual 9 Months B	20-21 Budget 9 Months C	20-21 Actual To 20-21 Budget D	20-21 9 Mos. Actual and 3 Mos. Projected E	20-21 Annual Budget (Approved 5/12/20) F	Variance 20-21 8 Mos. Actual & 4 Mos. Projected to 20-21 Budget G
PHOTOS	$2,350	$0	$3,000	$3,000	$4,000	$4,000	$0
ACCOUNTING/LEGAL/PROFESSIONAL SERVICES	$26,382	$23,485	$33,250	$9,765	$32,450	$47,450	$15,000
FUNDRAISING/EVENTS/PUBLIC RELATIONS	$29,755	$10,294	$27,500	$17,206	$29,284	$43,558	$14,274
OFFICE EQUIP & MAINTENANCE							
OFFICE EQUIPMENT	$658	$2,304	$1,065	($1,239)	$2,304	$1,420	($884)
DEPRECIATION EXPENSE	$908	$908	$908	$0	$1,211	$1,211	$0
SOFTWARE MAINTENANCE	$9,408	$9,646	$9,927	$281	$13,236	$13,236	$0
SOFTWARE	$0	$34	$0	($34)	$0	$0	$0
TOTAL OFFICE EQUIP & MAINTENANCE	$10,974	$12,892	$11,900	($992)	$16,751	$15,867	($884)
BOOKS/PUBLICATIONS/MEMBERSHIPS	$1,395	$1,630	$1,304	($326)	$1,739	$1,739	$0
OFFICE SUPPLIES	$4,808	$1,858	$5,522	$3,663	$7,362	$7,362	$0
POSTAGE & MAILING SERVICE	$5,612	$6,212	$7,742	$1,531	$10,323	$10,323	$0
BOARD EXPENSES	$3,305	$0	$2,545	$2,545	$500	$3,393	$2,893
OTHER EXPENSES							
MISCELLANEOUS	$2,274	$483	$450	($33)	$600	$600	$0
UNCOLLECTIBLE PLEDGES	$8,813	$1,793	$13,125	$11,332	$1,828	$17,500	$15,672
BOND CAMPAIGN SUPPORT-DIRECT EXPENSE	$49,999	$0	$0	$0	$0	$0	$0
MILEAGE & PARKING	$463	$453	$521	$68	$695	$695	$0
INTERNET SERVICE	$921	$475	$1,170	$695	$1,560	$1,560	$0
IT HOSTING SERVICE	$9,355	$10,314	$11,226	$912	$10,314	$11,226	$912
BANK CHARGES	$6,104	$6,767	$6,375	($392)	$8,500	$8,500	$0
INVESTMENT FEES	$2,853	$3,138	$1,500	($1,638)	$4,500	$2,000	($2,500)
DIRECTOR/OFFICER LIABILITY INS	$2,294	$2,485	$2,880	$395	$3,840	$3,840	$0
LIABILITY AND PROPERTY INSURANCE	$2,929	$2,929	$3,277	$349	$4,370	$4,370	$0
TOTAL OTHER EXPENSES	$86,004	$28,836	$40,525	$11,688	$36,207	$50,291	$14,084
IN KIND EXPENSE - RENT	$17,784	$17,788	$17,784	($4)	$23,712	$23,712	$0
TOTAL EXPENSES	$717,434	$673,400	$760,293	$86,893	$942,168	$1,019,989	$77,821
NET SURPLUS/(DEFICIT)	$211,584	$350,224	($30,438)	$380,662	$259,204	($58,121)	$317,325

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Eileen Hill

SUBJECT: 2021-22 Operating Budget Overview

Overview of 2021-22 Operating Budget
The Finance and Investments Committee and Executive Committee have approved the proposed 2021-2022 Operating Budget.

Revenue:
The 2021-22 operating revenue of $1,160,541 is projected to be $20,741 less than the 2020-21 projected actual operating revenue of $1,181,282. The 2020-21 projected actual includes the forgiven PPP Loan of $102,569. If the PPP loan is taken out of the equation, the 2021-22 operating revenue of $1,160,541 is projected to be $81,828 more than the 2020-21 projected actual.

- Anticipate bringing our Annual Fund phone campaign back next year with the goal of raising $50,000
- The endowment management fee is projected to increase by $27,000

Expenses:
The 2021-22 operating expenses of $1,083,532 are projected to be $140,857 over the 2020-21 projected actual operating expense of $942,675.

- $25,371 increase in salaries, includes standard salary schedule increases and updated salary ranges
- $26,845 reinstituting Annual Fund Coordinator, Callers, and Development Assistant
- $17,000 increase in payroll taxes, benefits
- $35,000 increase in fundraising expenses, anticipating moving back to in person events
- $17,500 bad debt for Annual Fund

The 2020-21 projected surplus will increase the operating reserve to 8.3 months totaling $748,602 exceeding the 6 month operating reserve goal. Projections show a surplus of $77,009 in 2021-22 and a surplus for the following two years.

RECOMMENDED MOTION
Approve the proposed 2021-22 Operating Budget.

	18-19 Actual	19-20 Actual	20-21 Board Approved Interest .5% EMF 18% ↓ PC 6% ↓	20-21 Projected (7 Months Actual and 5 Months Projected)	21-22 Projected	22-23 Projected	23-24 Projected
REVENUE							
INTEREST AND DIVIDENDS	$80,351	$76,653	$21,000	$17,015	$17,015	$21,000	$21,000
FEE INCOME - PROPOSAL INDIRECT	$15,876	$1,602	$5,000	$5,000	$5,000	$5,000	$5,000
FEE INCOME - OTHER	$69,176	$60,773	$75,232	$75,232	$68,227	$69,294	$71,239
FEE INCOME-GIFT FACILITATION	$29,288	$21,396	$17,216	$17,663	$18,077	$18,981	$19,930
OPERATIONAL ENDOWMENTS PAYOUT	$14,122	$14,276	$15,700	$14,359	$18,317	$18,317	$18,317
ENDOWMENT MANAGEMENT FEE	$446,027	$458,481	$341,908	$483,237	$510,194	$538,747	$566,980
PPP FORGIVEN			$0	$102,569	$0	$0	$0
OTHER INCOME		$4,196	$2,000	$2,000	$2,000	$2,000	$2,000
ANNUAL FUND	$66,325	$11,434	$50,000	$495	$50,000	$50,000	$50,000
PRESIDENT'S CIRCLE GIFTS	$382,267	$422,428	$390,100	$425,000	$428,000	$431,000	$434,000
UNRESTRICTED GIFTS	$27,186	$46,859	$20,000	$15,000	$20,000	$20,000	$20,000
IN KIND REVENUE	$23,556	$23,712	$23,712	$23,712	$23,712	$24,821	$24,821
TOTAL REVENUE	$1,154,174	$1,141,810	$961,868	$1,181,282	$1,160,541	$1,199,160	$1,233,286
EXPENSES							
TOTAL SALARIES	$447,956	$462,290	$521,271	$504,404	$556,620	$586,802	$606,979
TOTAL PAYROLL TAXES AND BENEFITS	$297,312	$293,824	$269,023	$251,934	$268,588	$270,704	$277,441
ADVERTISING	$480	$162	$1,000	$1,000	$1,000	$1,000	$1,000
PRINTING	$18,485	$13,643	$21,000	$21,000	$22,000	$23,000	$24,000
PHOTOS	$1,450	$2,350	$4,000	$4,000	$4,100	$4,200	$4,300
ACCOUNTING/LEGAL/PROFESSIONAL SERVICES	$42,366	$31,577	$47,450	$32,450	$49,100	$48,250	$53,100
FOOD	$196	$0	$0	$0	$0	$0	$0
FUNDRAISING/EVENTS/PUBLIC RELATIONS	$41,054	$30,930	$43,558	$29,284	$65,046	$68,148	$71,406
OFFICE EQUIPMENT	$8,905	$2,663	$1,420	$1,420	$1,500	$1,580	$1,660
DEPRECIATION EXPENSE	$1,211	$1,211	$1,211	$1,211	$1,211	$302	$0
SOFTWARE MAINTENANCE	$11,708	$12,544	$13,236	$13,236	$13,986	$14,736	$15,486
SOFTWARE	$159	$0	$0	$0	$0	$0	$0

	18-19 Actual	19-20 Actual	20-21 Board Approved Interest .5% EMF 18% ↓ PC 6% ↓	20-21 Projected (7 Months Actual and 5 Months Projected)	21-22 Projected	22-23 Projected	23-24 Projected
BOOKS/PUBLICATIONS/MEMBERSHIPS	$665	$1,456	$1,739	$1,739	$1,826	$1,917	$2,013
OFFICE SUPPLIES	$9,322	$5,482	$7,362	$7,362	$7,730	$8,117	$8,522
POSTAGE & MAILING SERVICE	$9,123	$7,090	$10,323	$10,323	$10,423	$10,523	$10,623
BOARD EXPENSES	$1,119	$3,305	$3,393	$3,393	$3,563	$3,741	$3,928
MISCELLANEOUS	$724	$988	$600	$600	$650	$700	$750
UNCOLLECTIBLE PLEDGES - 35%	$26,293	$18,067	$17,500	$1,828	$17,500	$17,500	$17,500
BOND CAMPAIGN SUPPORT	$0	$49,999	$0	$0	$0	$0	$0
MILEAGE & PARKING	$448	$463	$695	$695	$745	$795	$845
INTERNET SERVICE	$1,299	$1,157	$1,560	$1,560	$1,680	$1,800	$1,920
IT HOSTING SERVICE	$9,355	$9,355	$11,226	$10,314	$10,314	$10,314	$11,124
BANK CHARGES	$5,655	$7,151	$8,500	$8,500	$9,000	$9,500	$10,000
INVESTMENT MANAGEMENT FEES (Mid Term Pool)	$710	$3,879	$2,000	$4,500	$4,700	$4,900	$5,100
DIRECTOR/OFFICER LIABILITY INS	$3,008	$3,059	$3,840	$3,840	$3,994	$4,154	$4,320
LIABILITY AND PROPERTY INSURANCE	$3,881	$3,905	$4,370	$4,370	$4,544	$4,726	$4,915
IN KIND EXPENSE	$23,556	$23,712	$23,712	$23,712	$23,712	$24,821	$24,821
TOTAL EXPENSES	$966,440	$990,262	$1,019,989	$942,675	$1,083,532	$1,122,230	$1,161,754
SURPLUS/DEFICIT	$187,734	$151,548	-$58,121	**$238,607**	**$77,009**	**$76,930**	**$71,532**
LESS PPP LOAN FORGIVEN				-$102,569			
SURPLUS/DEFICIT WITHOUT PPP LOAN FORGIVEN				**$136,038**			
Beginning Reserve			**$509,995**				
Projected Surplus 20-21			$238,607				
Ending Reserve (8.3 Months of operating reserve)			**$748,602**				

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Eileen Hill

SUBJECT: Approve 2021-22 Fundraising Goal

BACKGROUND

The Cabrillo College Foundation staff recommends a $3M fundraising goal in outright and unbooked planned gifts. The following is an outline of the specific fundraising targets for the year to reach $3M. The $3M goal includes a target of $850,000 in endowed gifts and $500,000 in unbooked planned gifts. Focusing efforts on endowed gifts and legacy giving will help ensure the long-term health and sustainability of the Foundation.

2021-22 Target	
ANNUAL APPEALS	
$430,000	President's Circle
$50,000	Annual Fund
$175,000	Women's Educational Success
$200,000	Cabrillo Advancement Program (Endowed)
$500,000	Scholarships (Endowed)
$250,000	Scholarships (Nonendowed)
$395,000	Faculty/Department Support (Faculty Grants, Allied Health, Athletics, VAPA, etc.)
$250,000	Student Support Services (foster youth, internships, tutoring, etc.)
$250,000	Donor directed interests
$500,000	Unbooked Planned Gifts
$3,000,000	**TOTAL**

RECOMMENDED MOTION

Approve setting $3,000,000 fundraising goal for outright and unbooked planned gifts for 2021-22.

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Claire Biancalana

SUBJECT: Board Recommendations for 2021-22

BACKGROUND
The Executive Committee approved the following recommendations on 4/15/21.

New Board Members

- Karen Cogswell
- Kathy Cowan
- Cory Ray

2021-22 Officers

President: Gun Ruder
Vice President: Patty Quillin
Chief Financial Officer: Pegi Ard
Secretary: Rachel Wedeen
Assistant Secretary: Matt Wetstein
Assistant Financial Officer: Bradley Olin
Past President: Claire Biancalana

College Representatives

President – Matthew Wetstein
Vice President, Student Services – Amy Lehman
Vice President, Administrative Services – Bradley Olin
Vice President, Instruction –TBD
Faculty – Kristin Wilson
Trustee - Rachael Spencer
Trustee – Donna Ziel
Trustee – Dan Rothwell (new)

Audit Committee

- Carrie Birkhofer
- David Heald
- Barbara Scherer
- Karen Semingson, Chair

RECOMMENDED MOTION

Approve the above mentioned new Board members, officers, college representatives, and Audit Committee members.

New Board Members

Karen Cogswell - Having survived 7.5 LONG years on the East Coast, Karen and her husband remodeled a house in Aptos and are thrilled to be back in Santa Cruz County for good!

Karen served on the Cabrillo Foundation Board from 2002 until 2010. Having been one of the founding members of Women's Educational Success and then serving on the President's Circle, she found the Foundation Board work to be a rewarding way to do even more for Cabrillo. Karen was fortunate to have parents who put her through college, so any way she can help enable other students realize their educational goals is vital for her.

Karen was in the mortgage industry here in Santa Cruz for 25 years, 12 of which owning her own company, Network Mortgage. She has also served on the boards of the Housing Authority of Santa Cruz County, Friends of Long Marine Laboratories, El Pajaro Community Development Corporation and the Santa Cruz Community Foundation.

Kathy Cowan - Kathryn Cowan taught in the English department of Cabrillo College for 29 years. From 1990 to 1993, at the request of Bob Swenson, she began working with him to expand the Foundation Board. In this way she was honored to work with notable community members including Les Ley, Bill Locke-Padden, Fred McPherson, Helen Palmer, and Hal Hyde.

Kathryn and her late husband Paul Shephard joined the Heritage Club early on. When Paul graduated from Cabrillo, Kathy established their first scholarship fund in his name. When he died in 2012 Kathryn chose to enlarge the fund which, she believes, is the best way to honor his memory.

Prior to assuming her faculty position at Cabrillo, Kathryn taught at St. Louis University, Forest Park Community College in St. Louis, and was a member of the founding faculty of Shelby State Community College in Memphis.

At UC Santa Cruz she did an institutional study at Oakes College for J. Herman Blake and later served as director of Major Gifts and Scholarships for University Advancement.

Since her retirement from Cabrillo, Kathryn has served on the board of Grey Bears, and currently teaches memoir writing courses for the city of Santa Cruz Senior Activities Program.

Cory Ray – Cory grew up in the Santa Cruz area and while travel is an important part of her and her family's life (a husband and two daughters) Santa Cruz has always been and will always be home. After attending Cabrillo College and Sonoma State University, she worked for National Semiconductor in Santa Clara. Cory shifted her career into multi-family residential ownership and management as she and her husband developed apartment projects in Santa Cruz County. She continues to oversee the family-owned properties and works with her husband in new development.

Over the course of her career, her varied interests and skills led her to numerous volunteer positions. She is involved with, and an advocate for the developmentally disabled community in a variety of capacities, including having served as chairperson of a state oversight committee and currently as a member of Camphill Communities California Board. In the past, she served as the chairperson of the Strategic Planning Committee within the York School Board of Trustees and was the President of the Gateway School Board of Trustees.

Cory strongly believes in the power of stable living conditions to drive economic opportunity for vulnerable populations. She is a passionate advocate for an increased housing supply throughout the county. She believes in education as an important path to a better life. She and her husband are supporters of Cabrillo College and she looks forward to being a part of the Cabrillo Foundation Board.

Dan Rothwell – J. Dan Rothwell is the retired chair of the Communication Studies Department at Cabrillo College after 30 years heading the department. He has a B.A. in American History from the University of Portland (Oregon), an M.A. in Rhetoric and Public Address, and a Ph.D. in Communication Theory and Social Influence. His M.A. and Ph.D. are both from the University of Oregon. He is the author of five books: *In Mixed Company: Communicating in Small Groups and Teams, In the Company of Others: An Introduction to Communication, Telling It Like It Isn't: Language Misuse and Malpractice, Interpersonal Communication: Influences and Alternatives* (with James Costigan), and *Practically Speaking*. He is also working on a sixth textbook, with his colleague and friend Michelle Waters, on business communication, to be published by Oxford University Press.

During his extensive teaching career, Dr. Rothwell received more than two dozen teaching awards, including the Ernest L. Boyer International Award for Excellence in Teaching, Learning, and Technology conferred by the Center for the Advancement of Teaching and Learning, Florida State College, and the National Council of Instructional Administrators; the Cabrillo College "Innovative Teacher of the Year" award; the National Communication Association "Community College Educator of the Year" award; an official resolution by the California State Senate acknowledging Dr. Rothwell's excellence in teaching; and the "Master Teacher" award from the Western States Communication Association.

Finally, Dr. Rothwell's public speaking book, *Practically Speaking*, received the national Textbook Excellence Award from the Textbook and Academic Authors Association. Having never achieved one of his early goals in life—to be a Hall of Fame major league baseball pitcher—this, and his teaching awards, will have to partially compensate for his lifelong disappointment.

Cabrillo College Foundation Board
2020-21 Terms of Office
Effective July 1, 2020

	Name	Community Director/ College Representative	Current Term	Current Term Expires June 30	Final Term Expires June 30
1	Owen Brown	Community Director	2nd	2021	2021
2	Linda Burroughs	Community Director	2nd	2021	2021
3	David Heald	Community Director	2nd	2021	2021
4	June Padilla Ponce	Community Director	2nd	2021	2021
5	Claire Biancalana	Community Director	2nd	2021	2022
6	Ceil Cirillo	Community Director	2nd	2022	2022
7	Kelly Nesheim	Community Director	2nd	2022	2022
8	Patty Quillin	Community Director	2nd	2023	2023
9	Maria Esther Rodriguez	Community Director	2nd	2023	2023
10	Gun Ruder	Community Director	2nd	2023	2023
11	Amy Newell	Community Director	1st	2021	2024
12	Kate Terrell	Community Director	1st	2021	2024
13	Rob Allen	Community Director	1st	2022	2025
14	Karen Semingson	Community Director	1st	2022	2025
15	Rachel Wedeen	Community Director	1st	2022	2025
16	Pegi Ard	Community Director	1st	2023	2026
17	Michele Bassi	Community Director	1st	2023	2026
18	Matt Huffaker	Community Director	1st	2023	2026
19	Ed Newman	Community Director	1st	2023	2026
20	Erica Ow	Community Director	initial	2021	2027
21	Trevor Strudley	Community Director	initial	2021	2027
22	Julie Thiebaut	Community Director	initial	2021	2027
	College Representatives				
23	Matt Wetstein	President	N/A	N/A	N/A
24	Amy Lehman	Vice President	N/A	N/A	N/A
25	Bradley Olin	Vice President	N/A	N/A	N/A
26	Kathleen Welch	Vice President	N/A	N/A	N/A
27	Kristin Wilson	Faculty	1st	2022	N/A
28	Rachael Spencer	Trustee	2nd	2021	N/A
29	Donna Ziel	Trustee	2nd	2023	N/A
30	VACANT	Trustee			N/A

Board nominates and approves all members. Initial appointments are one-year term. Subsequent appointments are three-year terms. Community Directors may serve a maximum of seven years. Past Presidents serve additional bonus year beyond regular term limit. All appointments end June 30, of expiration year.

Eight (8) of the Directors shall be representatives of Cabrillo College, at least one (1) of whom shall be a full-time faculty member of Cabrillo College. The College’s Superintendent/President, three (3) Vice Presidents, and three (3) College Trustees will be selected to serve on the Foundation Board.

Cabrillo College Representatives shall hold office for three (3) years, except in the event of an earlier termination of any such Director's status as a representative of the College. In that event, such a Director's term of office shall end at the same time as that Director ceases to be a College representative. There is no limit on the number of consecutive three-year terms a Director who is a representative of Cabrillo College may serve.

Cabrillo College
FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Eileen Hill

SUBJECT: Form 990

The Cabrillo College Foundation Form 990 Draft was emailed to the Board of Directors on April 30, 2021.

Form 990 provides a snapshot of the organization's purpose, staffing, sources of financial support, and use of funds. It is required that the Form 990 draft is provided to the Board of Directors for review prior to filing.

Form 990 must be filed by Monday, May 17, 2021.

RECOMMENDED MOTION
Accept the 2019 Form 990 as presented.

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Linda Burroughs

SUBJECT: **President's Circle Campaign**

2020-21 President's Circle Campaign

Vance Landis-Carey and Duf and Paula Fischer are co-chairs of the 2020-21 President's Circle

Committee. As of April 30, 2021:

- $456,821 has been raised, surpassing our goal of $398,000
- 238 members have joined
- 22 NEW members
- 12 renewing donors increased their support this year
- 93% retention rate of past PC donors

A 2020-21 member list and history report are attached

President's Circle Events

Due to Covid-19, all events will be planned with an eye to safety and well-being of guests and staff. All events are subject to change.

President Level ($1,000+)

- Virtual Event with Sandy Lydon — May 20, 2021
- Back to School Celebration via Zoom — October 2021
- President's Holiday Party — Dec. 3, 2021

President's Plus Level ($1,500+)

- Drive-thru Event collaboration with Culinary Students — April 17, 2021

Director Level ($2,500+)

- Delicious Delights led by Cabrillo Chef Andrea Molleneaur — April 30, 2021

Trustee Level ($5,000+)

- St. Patrick's Day Happy Hour — March 17, 2021

Benefactor Level ($10,000+)

- Virtual Feasting with Faculty — June 9, 2021

CABRILLO COLLEGE FOUNDATION
President's Circle Members 2020-21
Updated 04/30/2021

$15,000+

Edward Newman and Leslie Christie
Patty Quillin and Reed Hastings

$10,000+

Brian and Patti Herman
Bright Horizon Fund
Esther and Gerry Levandoski
Rick and Ruth Moe
Julie Packard
Miles and Rosanne Reiter
Thomas Sourisseau

$5,000+

Claire Biancalana and William Kelsay
Barbara Canfield
Robert Davidson
Carolyn Parham
Elio and Joy Rodoni
Mary Solari
Ginny Solari Mazry
Rachel Wedeen

$2,500+

Phillip and Robin Adkins
Pegi and Tom Ard
Jim Baker and Nancy Millslagle
William and Pat Barton
Harry and Mary Blanchard
Jess Brown
Owen Brown and Mary Akin
Emily Burton
Gordon and Mary Jane Chambers
Ken and Kathy Doctor
Lee and Emily Duffus
Charles and Jillian Engbers
Esch Family
Jack Farr
Duf and Paula Fischer
Joan Griffiths
Trisha and Brandon Kett
Vance Landis-Carey and Robert Carey
Leola Lapides and Bob Katz
Rick Li Fo Sjoe and Virginia Morris
Marilyn Manning Lonergan and Richard Lonergan
John and Megan Martinelli /S. Martinelli & Co.
Robert Millslagle and Bjorg Yonts

CABRILLO COLLEGE FOUNDATION
President's Circle Members 2020-21
Updated 04/30/2021

Joe and Susan Mingione
Bill and Karen Moncovich
Ned and *Dinny* Nemacheck
Kelly and Maria Nesheim
Amy Newell
Gayle and Joseph Ortiz
William and Erica Ow
Kate and Ira Pohl
Pat and Rowland Rebele
Shadowbrook Restaurant
Brian and Michelle Sharpes
Stephen and Gail Snodgrass
Rachael Spencer and Kevin Rooney
Julie Thiebaut
James Thompson
W. Todd and Corinne Wipke
Peppy and Ron Woll

$1,500+

Carlos and Jane Arcangeli
Edward and Kathleen Banks
Carrie Birkhofer/Bay Federal Credit Union
Judy Boemer
Blaine and Connie Brokaw
John and Sydney Brokaw
John and Linda Burroughs
Andrew and Marilyn Calciano
Al Cheney
Ceil Cirillo
Karen Cogswell and John Maenchen
Margaret Cottle
Diane Craddock and David Hogye
Richard and Theresa Crocker
Elizabeth and David Doolin
Dwayne and Linda Downing
Roberta Dunton
Charles and Sandra Eldridge
Lou Falek and Lyn MacDonald
Peggy Flynn
Mahlon and Joel-Ann Foote
John and Sue Graulty
Stephen Green
Ken Haber
Eileen and Dave Hill
Harold and Dorothy Hyde
Mary James and George Cook
Erik and Judy Johnson–Erik's DeliCafé
Judy B. Jones
Kevin Karplus
Ralph and Julie Kimball
Karen and Charles Leigh-Wood
Dominic and Karen Massaro
Keith and Della McKenzie
Earleen Overend and Wayne Palmer
Laura Pease and Bill Scurr
Burton and Cynthia Rees
Maria Esther and Jose Raul Rodriguez
Gunlek and Junko Ruder
Santa Cruz County Bank
Barbara and William Scherer
Carol and Kirk Schmidt
Robert Scott
Gabrielle Stocker
Jeffrey and Adele Talmadge
James and Deborah Thoits
Jerry and Robynn Walters
Susan and Nels Westman
Matt Wetstein and Cindy Ostberg
Evans Whitaker and Deborah Bronstein
Theo Wierdsma and Julie Hamilton Wierdsma
Sue Wilson
Thomas and Connie Wilson

$1,000+

Michael and Toby Alexander
Walter and Janet Alexander
Mike and Kalena Allard
Mary Altier Walker and John Walker
Anonymous
Ann Asche/Locatelli Moving and Storage
Charles and Janet Banovac
Brian and Maryann Barry
Philip and Kathryn Bates
Ian and Kathy Blackwood
Michael Blas and Paula Stark
Christy Bohnet
Bob and Susan Bosso
Karen and Todd Bria
Sue Broadston
Rosemary Brogan
Judy Brose and Mark Wise
Alan and Gweneth Brown
Priscilla Brown
George and Elizabeth Bunch
Thomas Bush and Grace Sanchez
Nancy Campeau
Charles and Betty Canfield
Paul Carrubba and Teresa O'Connell Carrubba
Brian and Kay Cayton
Linda Charman
Frederick and Kate Chen
Sara Clarenbach

CABRILLO COLLEGE FOUNDATION
President's Circle Members 2020-21
Updated 04/30/2021

Michael and Barbara Clark
Sarah Clark
Joanne Clever
Virginia Coe
Bill and Cloy Codiga
Diane and Donald Cooley
Kathryn Shephard Cowan
Arne and Carol Croce
Crow's Nest
Bud and Martina Cummings
Wallace Dale
Robert Darrow
Doug and Diane Deaver
Daryl Dichek and Kenneth Smith
Gerald and Nancy Eidam
Geoff and Sandy Eisenberg
Kristin Fabos and Rye Livingston
Michele Finch
Finkelman Family Foundation/Herb Finkelman and Edda Tusinac
Cynthia FitzGerald
Rocky and Judy Franich
Lesley Franz
Mary Gaukel and Les Forster
Kimberly Hallinan
Diane and Conrad Hamako
Richard and DeAnne Hart
Kathleen Hatfield
David and Jacqueline Heald
Janet Heien
Donald and Diana Henrichsen
William and Michelle Herrin
Joseph and Bette Hirsch
Ron and Evelyn Hirsch
David and Katharine Hopkins
Jay Hughes and Juliette Bloxham
John Hurd and Kate Kelly
Carolyn Hyatt
Kent and Marie Imai
Ronald and Linda Israel
Therese Johnson
Helen Jones
Frances and Dean Kashino
Tom and Nanette Kelsey
Richard and Diane Klein
David and Sharon Kluger
George and Diane Koenig
Agata Konopka and Flavio Cheng
Ron Kusel and Carolyn Gong-Guy
John Laird and John Flores
Julie Lambert
Amy Lehman
Thomas Lehrer
Nancy Lenox
Victoria and David Lewis
Patty Lezin
Mark Linder and Mary Dean
Pamela Lowry and Allen Rozelle
Charlie and Georgia Mackh
Gerry Mandel
Allen and Janet Martin
Joseph and Lila Jean Marvin
Mary Maselli
Mike and Bertie McElroy
Paul Meltzer
Mark Mesiti-Miller and Donna Murphy
Peter and Debbie Nelson
Linda and Bruce Nicholson
Fane and Corie Opperman
Gail Pellerin
Rock Pfotenhauer and Linda Wilshusen
James and *Mary Ellen* Poth
Muriel Prolo and Jack Samuelson
Paula and Robert Quinn
Kenneth and *Barbara* Reed
Randy Repass and Sally-Christine Rodgers
Phyllis Rosenblum
Craig Rowell and Cory Ray
Cherri Rupert-Canfield
Mark and Laurie Scurich
Ronald and Cynthia Sekkel
Karen Semingson
Martha Shedden and John Buchanan
Melinda and Thomas Silverstein
Elaine-Maryse Solari
Carol and Stephen Spragens
Robert Stephens
Bruce and Barbara Swenson
Cyrus and Maureen Tabari
Kate Terrell and David Ryan
Susan True and Ben Wolfe
Anina Van Alstine
Scott and Martha Walecka
Richard and Annette Weed
Brooke White
Brad and Linda Wiles
Terrence Willett and Jennifer Cross
Kathleen Willot and Glenn Joy
Neal and Paula Woods

Founding President Robert E. Swenson's Lifetime Supporters*

Cornelia Ackley
Kate Ashcraft
Jack Baskin and Peggy Downes Baskin
Mark and Barbara Beck
Greta Bell
Neva Bournier
California Wellness Foundation
Mary Frances Callantine
Diane and Donald Cooley
Richard and Theresa Crocker
Dominican Hospital
Jim and Dolores Graefe
Granite Construction
Graniterock
Joan and *Gerald* Griffiths
Penry and Marie Griffiths
Grove Foundation
The William and Flora Hewlett Foundation
Hewlett-Packard Company
Harold and Dorothy Hyde
James Irvine Foundation
Walter S. Johnson Foundation
Eileen and Max Koppes
Albert Leoni
Jeane and Les Ley
Josie and Bailey Little
Fred and Linda McPherson
Louella Mehne
John Morgan
Elice Neubauer
George Ow and Gail Michaelis-Ow
The David and Lucile Packard Foundation
Rena Perlino
Porter Sesnon Foundation
Rowland and Pat Rebele
Esther Rice
Iris and J. Arthur Rodgers
Barbara Samper
Erica Schilling
Ben Schneider
SD Trombetta Foundation
Elinor and Keith Shaffer
Paul and Pat Shirley
Bill and Brigid Simpkins
Phyllis and Alan Simpkins
Mary and *Richard* Solari
Rachael Spencer and Kevin Rooney
Robert and Frances Swenson
Union Bank of California
James and Karen Watson
Alice Weisenberger
Wells Fargo Foundation

Donors who gave $100,000 cumulatively during Robert E. Swenson's life (1918-2007). Deceased *donors have been recognized in italics

CABRILLO COLLEGE FOUNDATION
PRESIDENT'S CIRCLE HISTORY REPORT
Updated 5/4/2021

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Committee Chair	Ted Burke & Linda Burroughs	Diane Craddock & Linda Burroughs	Diane Craddock & Owen Brown	Claire Biancalana & Owen Brown	Claire Biancalana & Mahlon Foote	Mahlon Foote & Ceil Cirillo	Ceil Cirillo & Michele Bassi	Duf and Paula Fischer & Michele Bassi	**Duf and Paula Fischer &Vance Landis-Carey**
# of Committee Members	37	36	29	36	33	37	44	50	**45**
# of Annual Members ($1,000+)	192	190	189	206	214	227	227	232	**238**
# of Annual Members solicited for the first time through Annual Fund ($1,000+)	2	1	1	2	3	2	1	0	**0**
# of New Annual Members ($1,000+)	30	20	16	23	19	32	20	28	**22**
# of Rejoining Annual Members ($1,000+)	162	170	179	183	192	195	207	204	**216**
% of Rejoining Members	92%	88%	94%	97%	93%	91%	91%	90%	93%
# of $15,000+					1	1	1	2	**2**
# of $10,000+	0	2	3	3	2	3	3	5	**7**
# of $5,000-$9,999	10	7	7	8	7	9	10	9	**8**
# of $2,500-$4,999	13	13	13	14	15	23	27	33	**39**
# of $1,500-$2,499 (Starting 2011-2012)*	38	45	52	54	56	59	57	56	**52**
# of $1,000 Donations	126	119	114	127	133	132	129	127	**127**
# of Donors Who Gave < $1,000	9	7	8	9	8	3	4	5	**15**
# of Prospects Solicited	1,085	1,063	1,011	1,045	1,041	1,031	1,042	1,044	**1,000**
Donations from Annual Fund	$3,500	$1,000	$1,000	$1,000	$3,000	$2,000	$1,000	$0	**0**
Operational Budget Goal	$250,000	$280,000	$285,000	$317,000	$318,000	$332,000	$380,000	$386,000	**$398,000**
Total Funds Raised	$271,652	$282,774	$311,406	$318,074	$330,908	$377,795	$384,697	$425,527	**$456,821**
Percent Increase/ Decrease Over Previous Year	8%	4%	10%	2%	4%	14%	2%	11%	7%

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Donna Ziel

SUBJECT: **2021 Women's Educational Success (WES)**

WES grants are a critical resource for faculty on campus, empowering them to send a lifeline to a struggling student. With today's current financial instability, these grants will be relied on more than ever to keep deserving students in school.

Tonée Picard and Mary Culley are co-chairs for the 2021 WES Campaign and they are busy recruiting new committee members and soliciting sponsorship donations to cover the cost of the campaign and event. We are thrilled to welcome Gail Pellerin, Amy Ivey (Bay Fed), Chris Maffia (SC County Bank) and Shannon Brady (Sutter/PAMF) to our committee of 24 women.

We are delighted that the Sharanam Foundation and the Wedeen Hammer Locatelli Group at Morgan Stanley will be our Matching Grant Donors again this year. They have increased their support and will provide $20,000 to match gifts of $250 and greater to the endowment.

The WES Event is scheduled for Friday, September 10th. While we know many will be vaccinated by the fall, we recognize there still may be uncertainty around large public gatherings, so at this time, we are not certain if an in-person event will be possible or even permitted on campus. We are currently exploring the possibility of hosting another virtual event, or a hybrid of an in-person/remote gathering.

Nursing Student, Sarah, recently wrote to the foundation, reflecting on the WES Grant she received in 2020:

I wanted to thank Cabrillo for helping support my education and support me in the nursing program. Without the grant I would not have been able to receive my nursing clinical kit in time. Most of us have to stop working in order to succeed in the nursing program, but there are a lot of initial cost to start the program. I was struggling and was not sure how I was going to be able to get everything ordered and organized in time for school and this grant helped make that possible. I greatly appreciate the financial support the grant provided me at the beginning of the year.

Cabrillo College FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Rachael Spencer, Scholarship Committee Chair

SUBJECT: **Scholarship Program**

While Cabrillo is affordable, rising textbook prices and the high cost of living in Santa Cruz County continue to be huge financial obstacles for our students. Cabrillo is fortunate to have a robust scholarship program that helps alleviate some of these burdens, allowing our students reach their educational goals. Despite the uncertainty surrounding COVID-19, scholarships help students plan for their future — knowing that they have financial support can encourage them to stay enrolled and gives them hope during challenging times.

SCHOLARSHIP PROGRAM

- Last year we awarded $1.6 million in scholarships to over 2,000 students
- Recipient selection for the 2021 scholarship cycle is in progress and the foundation is working closely with the Financial Aid office to administer nearly 400 scholarships in four different categories:
    1. Department Scholarships
        - Foundation works with over 50 faculty members to ensure scholarships are awarded to eligible students
    2. Organization/Donor Scholarships
        - Foundation works with outside organizations and individual donors to create applications and/or supply eligible applicants from "general applicant pool", as well as provide guidance to selection committees and assistance in awarding scholarships.
    3. General Scholarships
        - Foundation provides Financial Aid office with a list of scholarships that are awarded through the General Scholarship application and selection process.
    4. High School Scholarships (for incoming Cabrillo students)
        - Foundation and Financial Aid office work with local high schools, encouraging students to complete online applications. Foundation manages awarding process.
- This year's scholarship recipients will be notified of their awards at the end of May by the Financial Aid Office and will receive instructions on obtaining their scholarship funds. Awards will be distributed at the beginning of the fall Semester.

Scholarship committee members serve as community ambassadors for our scholarship program. Committee members include: Rachael Spencer (Chair), Claire Biancalana, Jess Brown, Ceil Cirillo, Virginia Coe, Karen Cogswell, Linda Downing, Jan Furman, Rich Hart, Adele Miller, Corinne Miller, Julie Thiebaut, Rachel Wedeen and Jill Wilson

Cabrillo College
FOUNDATION

MEMORANDUM

DATE: May 4, 2021

TO: Board of Directors

FROM: Eileen Hill

SUBJECT: Governing Documents

The Council for Advancement and Support of Education (CASE) recommends that the following governing documents are reviewed every three years. As an Auxiliary Organization of Cabrillo College, Administrative Procedure 3600 (AP3600) is the master governing document set forth from the Chancellor's office that informs the following documents:

- Articles of Incorporation
  - No changes
- Master Agreement
  - Added missing items listed in AP3600 and sections from Aux Organization Manual Master Agreement Sample
  - Fine tuning for clarity and removed duplication
- Bylaws
  - Remove the initial one year term for Board Members
  - Fine tuning for clarity and removed duplication

TIMELINE

April 15: Executive Committee first reading of proposed changes. Feedback to be given to Foundation by June 1.

May 11: Board of Directors first reading of proposed changes. Feedback to be given to Foundation by June 1.

June 14: Governing Documents sent to legal counsel for review

August 26: Executive Committee approves governing documents

September 14: Board of Directors approve governing documents

October 4: Cabrillo Trustees approve governing documents

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION

The undersigned certify that:

1. **They are the president and the secretary, respectively, of The Cabrillo College Foundation, a California corporation.**

2. **The Articles of Incorporation of this corporation is amended to read as herein set forth in full:**

AMENDED ARTICLES OF INCORPORATION

OF THE

CABRILLO COLLEGE FOUNDATION

A California Nonprofit Public Benefit Corporation

Amended on February 13, 2007

ARTICLE 1. **Corporation Name**

The name of this corporation is **The Cabrillo College Foundation.**

ARTICLE 2. **Corporation Organized For Public Benefit**

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

ARTICLE 3. **Corporation Purposes**

This corporation is formed exclusively for the support and benefit of the Cabrillo Community College District. The corporation's specific and primary purposes are:

(a) To solicit and raise money for the purpose of awarding scholarships and loans to assist students to pursue education through Cabrillo College, which scholarships and loans shall be awarded in accordance with the bylaws, rules and procedures adopted by the Board of Directors of this corporation;

(2) To afford and encourage opportunities for the establishment of permanent collections, endowments, research and educational projects, special educational and community service programs, improvement of faculty teaching, provision of facilities and equipment for Cabrillo College;

(3) And otherwise to provide aid, supplementary to Federal, State and local tax means, for the support and benefit of the Cabrillo Community College District.

This corporation is organized exclusively for charitable and public purposes within the meaning of Internal Revenue Code section 501(c)(3) or the corresponding provision of any future United States internal revenue law. Despite any other provision in these articles, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Internal Revenue Code section 501(c)(3) or the corresponding provision of any future United States internal revenue law, or (b) a corporation, contributions to which are deductible under Internal Revenue Code section 170(c)(2) or the corresponding provision of any future United States internal revenue law.

ARTICLE 4. Tax-exempt status

(a) No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation; this corporation shall not participate or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

(b) All corporate property is irrevocably dedicated to charitable or public purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.

(c) On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to the Cabrillo Community College District, provided it is a qualified tax exempt organization at that time. Otherwise, the remaining assets shall be distributed to a nonprofit fund, foundation, or corporation organized and operated exclusively for charitable or public purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code, which has established its tax-exempt status under Internal Revenue Code section 501(c)(3) (or corresponding provisions of any future federal internal revenue law), and which has established its tax-exempt status under Revenue and Taxation Code section 23701d (or the corresponding section of any future California revenue and tax law).

ARTICLE 5. **Amendment of Articles of Incorporation**

No amendment to this corporation's Articles of Incorporation may be adopted without first being submitted to and approved by the Cabrillo Community College District Governing Board and the Cabrillo College Foundation Board of Directors.

3. The foregoing amendment of the Articles of Incorporation has been duly approved by the Board of Directors of The Cabrillo College Foundation.

4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct to our knowledge.

Date: 4-19-07

Kurt Kniffin, President
Cabrillo College Foundation

Date: 4/19/07

Karen Cogswell, Secretary
Cabrillo College Foundation

MASTER AGREEMENT
BY AND BETWEEN THE
CABRILLO COMMUNITY COLLEGE DISTRICT
AND THE CABRILLO COLLEGE FOUNDATION
As Amended.

This agreement is made and entered into this _1st_ day of October by and between the Cabrillo Community College District ("District") and the Cabrillo College Foundation ("Foundation"), an auxiliary organization of the District established in accordance with Education Code section 72670 et seq.

I
PURPOSE

The 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 the usual governmental budgetary, purchasing, and other fiscal procedures.

The District has determined that the value of fundraising, community and donor relations, gift and program administration and other services provided by the Foundation greatly exceeds the cost to the District of the provision of any facilities, property and other support as provided by this Agreement. The purpose of this Agreement is to establish a relationship between the District and the Foundation for the Foundation's solicitation and administration of programs involving gifts, bequests, and trusts on behalf of the district pursuant to CA Code of Regulations, title 5, section 59259, subdivision (j).

Commented [EH1]: More relevant information to Foundation's mission, taken from Aux Org Manual Sample Master Agreement.

II
AREAS OF SERVICE

Consistent with its Articles of Incorporation, the Foundation may administer those functions or activities defined in section 59259 of Title 5, California Code of Regulations, and District Board Policy which are mutually agreed upon by the parties.

III
LIMITATION OF AUTHORITY AND RESPONSIBILITY OF AUXILIARY ORGANIZATIONS
(Title 5, California Code of Regulations, Section 59257 (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 implemented for the general benefit of the educational programs of the District. Upon mutual agreement of the parties, the Foundation may assume services and programs in order:

1. To 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. To eliminate the undue difficulty that would otherwise arise under the usual governmental budgetary, purchasing, and other fiscal controls;

3. To provide fiscal procedures and management systems that allow effective coordination of Foundation activities with the District in accordance with sound business practices;

4. To benefit from the experience and expertise of Foundation.

Gifts to the Foundation shall be accepted as authorized by the District's implementing regulations and the policies of the Foundation.

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 expenses. 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. ~~All such financial assistance provided from student organization funds shall be approved by the campus financial aid office before such funds are expended, and shall not exceed amounts to be provided under regulations of federal and state financial aid programs.~~

Formatted: Strikethrough

Commented [EH2]: Not relevant to Foundation.

IV
USE OF FACILITIES

The Foundation may occupy, operate, and use District facilities and property separately or jointly with the District as identified in writing by the parties.

In consideration of the further terms of this agreement, the 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 governing board of the District has determined that the value of fundraising, community and donor relations, gift and program administration and other services, approximately two to three million dollars annually provided by the Foundation, greatly exceeds the $23,712 rental cost to the District of the provision of any facilities.

Commented [EH3]: Update to $24,821 – new valuation based on recent comps

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 Cabrillo Community College District.

The right to use any of the District facilities or equipment included in this agreement shall cease within a reasonable time period following written notice by the Superintendent/President that the facilities are needed for the exclusive use of the District.

V
REIMBURSEMENT FOR SERVICES ~~AND FACILITIES~~

Commented [EH4]: This section does not refer to Facilities

Formatted: Strikethrough

On an annual basis, the District's Superintendent/President shall determine, pursuant to District Board Policies and Procedures, whether the cost of ~~District employees on loan or providing professional~~ services to the Foundation should be reimbursed by the Foundation, or t~~.~~

~~T~~he Foundation may provide services to the District for which the District shall reimburse the Foundation. Such service areas shall be identified in a written document accepted by ~~the District.~~both parties.

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

~~An independent CPA firm will audit the Foundation at Foundation expense. The Foundation may select the same audit firm that audits the District, or a different independent CPA firm.~~

Formatted: Strikethrough

Formatted: Strikethrough

Formatted: Strikethrough

Commented [EH5]: Covered by previous paragraph

Formatted: Strikethrough

Commented [EH6]: Not relevant

Formatted: Strikethrough

VI
INDIRECT COSTS

If the Foundation administers a ~~federally-sponsored~~ program with indirect funding (including 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 be negotiated in advance and take into consideration the District's federal indirect cost rate and the approved indirect cost allocation~~, if any, of the federal program award~~.

Formatted: Strikethrough

Formatted: Strikethrough

VII
MAINTENANCE AND OPERATING EXPENSES

The District shall provide maintenance and custodial services in the same manner as it provides for its own offices. The governing board of the District has determined that the value of fundraising, community and donor relations, gift and program administration and other services, approximately two to three million dollars annually provided by the Foundation, greatly exceeds the cost to the District of the provision of maintenance and custodial services. The Foundation agrees that it will keep and maintain its facilities in a clean and orderly condition.

VIII
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 Superintendent/President 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.

IX

DISPENSATION OF EARNINGS

Operating income generated by the Foundation in excess of costs and provisions for equipment, maintenance, Board designated reserves, and working capital shall be used by the Foundation 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.

X
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 by the Foundation for the benefit of the District.

XI
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 Sections 59250-59272 of the California Code of Regulations, Title 5, as well as the Cabrillo Community College District Implementing Regulations.

XII
COUNSEL
The Foundation shall obtain the services and counsel of an attorney admitted to practice in the State of CA whenever the need arises.

Formatted: Centered

Commented [EH7]: Per AP3600 this must be in Master Agreement.

XIII
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 Superintendent/President in writing as to number, size, and locations. Fixtures, signs, or equipment so erected, placed, or attached by the Foundation shall be and remain the property of the Foundation and be removed therefrom by the Foundation upon termination of this agreement.

~~XIII~~XIV
RIGHT OF ENTRY

At any reasonable 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.

X~~I~~V
THIRD PARTY AGREEMENTS BY THE FOUNDATION

The Foundation shall not enter into any contract that would obligate or encumber designated District facilities, equipment, or personnel without prior written 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 shall maintain its own insurance policies. In addition, the Foundation shall be included in the District's ~~insurance~~ General Liability ~~policies~~ policy ~~for all of its regular functions.~~ When special events are sponsored by the Foundation, separate insurance coverage may be required by the District.

Formatted: Strikethrough

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 except for losses caused by the sole negligence or reckless or willful misconduct of the District.

Upon termination of this agreement, the 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, ordinary wear and tear excepted. 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 reasonable 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 written approval of the Superintendent/President~~, following his/her notification to the District Board of Trustees.~~

Formatted: Strikethrough

Commented [EH8]: Last part not necessary based on AP3600

Formatted: Strikethrough

XVIII
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 the prior written permission of the Superintendent/President.

X~~VII~~IX
TERMS OF AGREEMENT

This agreement begins the first day of _October_____. This agreement may be terminated by either party after providing sixty (60) days written notice, subject to the provisions of the agreement entitled Distribution of Assets Upon Cessation.

The Foundation shall remain in good standing with the District. Otherwise, this agreement may terminate, at the sole discretion of the District, and the Foundation will terminate any contracts with third parties and meet the provisions of the agreement entitled Distribution of Assets Upon Cessation.

This agreement will be reviewed every three years and brought to the Foundation Board of Directors and Superintendent/President for approval.

X~~I~~X
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 Superintendent/President of the District.

XXI
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.

Formatted: Centered

Commented [EH9]: Added from Aux Manual Master Agreement sample

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

By: ____________________	By: ____________________
Matthew E. Wetstein	William Ow
Superintendent/President	President
Cabrillo Community College District	Cabrillo College Foundation
Date: September 11, 2018	Date: September 11, 2018

Adopted: Board of Trustees October 1, 2018
Approved: Cabrillo College Foundation Board of Directors 9-15-2015
Adopted, as amended: September 11, 2018
Approved, as amended:September 11, 2018

Bylaws of the
Cabrillo College Foundation, Inc.
As Amended

1. **NAME.**

The name of this corporation is THE CABRILLO COLLEGE FOUNDATION.

2. **OFFICES.**

The principal office for the transaction of the activities and affairs of this corporation is located at 6500 Soquel Drive, Aptos, in Santa Cruz County, California 95003.

3. **PURPOSES.**

This corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized pursuant to the California Non-Profit Public Benefit Corporation Law, Education Code sections 72670-72682 and the relevant provisions of Title 5 of the California Administrative Code.

A. The corporation is formed exclusively to benefit and support the Cabrillo Community College District, including:

(1) to solicit and raise money for the purpose of awarding scholarships and loans to assist students to pursue education at Cabrillo College, which scholarships and loans shall be awarded in accordance with these bylaws, and the rules and procedures adopted by the Board of Directors of this corporation;

(2) to afford and encourage opportunities for the establishment of permanent collections, endowments, research and educational projects, special educational and community service programs, improvement of faculty teaching, and the provision of facilities and equipment for Cabrillo College;

(3) and to otherwise provide aid, supplementary to Federal, State and local tax means, for the support and benefit of the Cabrillo Community College District.

B. This corporation is organized exclusively for public and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these bylaws or the Articles of Incorporation, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the stated purposes of this corporation, nor will this corporation carry on any other activities not permitted

(1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or

(2) by a corporation, contributions to which are deductible under Section 170(b)(l)(a)(vi) of the Internal Revenue Code.

4. **THE FOUNDATION BOARD OF DIRECTORS.**

A. Number. The Board of Directors shall consist of at least twenty-five (25) but no more than thirty-two (32) Directors unless changed by amendment to these bylaws.

B. Qualifications of Directors.

(1) Eight (8) of the Directors shall be representatives of Cabrillo College, at least one (1) of whom shall be a full-time faculty member of Cabrillo College. The College's Superintendent/President, three (3) Vice Presidents, and three (3) College Trustees will be selected to serve on the Foundation Board. The College representatives shall be selected by the Foundation's Board of Directors from a slate submitted by the Nominating Committee.

(2) The remaining Directors will be community representatives selected by the Board of Directors from a slate submitted by the Nominating Committee.

C. Election and Term of Office.

(1) ~~Approximately one-third (1/3) of the community Directors shall be elected at the regularly scheduled May meeting to hold office for three (3) years, except that a Director who has never before served on the Board of Directors shall serve an initial term of one (1) year (or until June 30 the next year) rather than a full term of three (3) years.~~ Each Director's three-year term shall commence July 1 after elected at the May meeting and shall expire June 30 three years thereafter.~~;~~ ~~each new Director's one-year term shall commence July 1 after elected at the May meeting and shall expire June 30 one year thereafter.~~ No community Director shall hold office for more than two (2) consecutive full three-year terms ~~in addition to his or her initial one-year term as a new Director with the sole exception of t~~The President of the Board who is serving in their last year shall serve an additional one-year term to serve as Past President.

(2) The Directors who are representatives of Cabrillo College shall hold office for three (3) years, except in the event of an earlier termination of any such Director's status as a representative of the College. In that event, such a Director's term of office shall end at the same time as that Director ceases to be a College representative. There is no limit on the number of consecutive three-year terms a Director who is a representative of Cabrillo College may serve.

(3) The Secretary shall keep a record of the appropriate term for each Director, and any vacancies shall be filled to hold office only until the expiration of the term for which the Director was originally appointed or elected or until the election of a qualified successor. The Board may from time to time establish a shorter term for a vacancy as appropriate. ~~to maintain approximately one-third (l/3) of the Directors' terms expiring each year.~~

Commented [EH1]:

Commented [EH2]: Removed approx. 1/3 elected, 4.A. describes number of board members needed. Removed initial term of one year for Board Members who have never served.

(4) Any Director may be removed, with or without cause, by the vote of a majority of the Board, subject to the approval of the Superintendent/President.

D. Vacancies on the Board. Vacancies on the Board may be filled by action of the President of the Foundation Board, in consultation with a majority of the Directors then in office, and subject to the prior approval of the Superintendent/President of the District. No reduction of the authorized number Directors shall have the effect of removing any Director before that Director's term of office expires.

5. **MEETINGS OF THE FOUNDATION BOARD OF DIRECTORS**.

A. Meetings of the Foundation Board shall be conducted in compliance with the Ralph M. Brown Act

B. Place of Meetings. Meetings of the Board shall be held on the campus of Cabrillo College, or elsewhere within the territory of the District subject to exceptions permitted by the Ralph M. Brown Act.

C. Meetings by Teleconference/Virtual. Individual Directors may participate in a Board meeting in accordance with the teleconference/virtual rules set forth in the Ralph M. Brown Act and applicable Board policy.

~~D.~~ Quarterly meetings will be held on the second Tuesday of September, November, February and May of each year. ~~Annual Meeting. The Board shall hold its annual meeting on the second Tuesday of September of each year.~~

D.

E. ~~Other Regular Meetings. Other regular meetings of the Board shall be held on the second Tuesday of November, February, and May of each year.~~

F. Special Meetings. Special meetings of the Board may be called at any time by the President, Vice President, Secretary, or any two Directors consistent with the requirements of the Ralph M. Brown Act

Commented [EH3]: Currently working within Executive Order guidelines which allow for virtual mtgs during the pandemic. Unsure of how these guidelines will change post pandemic.

Commented [EH4]: Consult attorney if "Annual Meeting" call out is necessary

G. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, except to adjourn. Adjournment shall be in accordance with Government Code section 54955.

6. **OFFICERS OF THE BOARD OF DIRECTORS.**

The officers of the corporation shall be the President, Secretary, Chief Financial Officer, and the Past President. The corporation may also have, at the Board's discretion, one or more Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Financial Officers. Any number of offices may be held by the same person, ~~in~~ at the discretion of the Board.

A. Election. The officers of the corporation shall be chosen annually by the Board and shall serve at the pleasure of the Board. Each officer shall have the title, have the authority, and perform the duties specified in these bylaws or as otherwise determined by the Board. Each new officer's one-year term shall commence July 1 after elected at the May meeting and shall expire June 30 one year thereafter. ~~The term of office shall commence at the close of the regular meeting next preceding the annual meeting and shall last for one (1) year or until a successor is approved.~~

B. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by action of the Board.

C. Responsibilities of Officers.

(1) President. Subject to the control of the Board, the President shall be the general manager of the corporation and shall supervise, direct and control the corporation's activities, affairs, and officers. The President shall preside at all Board meetings and shall have such other powers and duties as the Board or bylaws may prescribe.

(2) Vice President. In the absence or disability of the President, the Vice President shall perform all duties of the President. When so acting, a Vice President shall have all the powers of and be subject to all

restrictions on the President. The Vice President shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

(3) Secretary. ~~The Secretary shall cause to be kept at the corporation's principal office a minute book of all meetings and actions of the Board and Board committees.~~ The Secretary shall oversee that Articles of Incorporation, bylaws, minutes of all meetings and actions of the Board and Board committees are recorded, maintained and accessible. The minutes of meetings shall include the time and place of the meeting, whether regular or special, and if special how authorized, the notice given and the names of those present. ~~The Secretary shall cause to be kept at the principal office a copy of the Articles of Incorporation and bylaws, as amended to date. The Secretary shall cause to be given notice of all meetings required by these bylaws to be given, and shall keep the corporate seal and have such other powers and perform such other duties as the Board or bylaws may prescribe.~~ The President of Cabrillo College will serve as an Assistant Secretary.

~~(4)~~ Chief Financial Officer. The Chief Financial Officer shall cause to be kept and maintained adequate and correct books and accounts of the corporation's properties and transactions. The Chief Financial Officer shall cause to be given to the Directors such financial statements and reports as required by law, by these bylaws, or as directed by the Board. The books of account shall be open to inspection by any Director at all reasonable times. The Chief Financial Officer shall cause to be deposited all money and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate, shall disburse the corporation's funds as the Board may direct, and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe. The Vice President of Business Services for

Cabrillo College will serve as an Assistant Financial Officer. ~~If required by the Board, the Chief Financial Officer (and/or any assistant financial officers or employees maintaining financial records) shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance.~~

Commented [EH5]: Removed, covered in 8(c)

Commented [EH6]: Removed reference to bond, since covered in 8c of bylaws.

(4)

(5) Past President. The immediately preceding President will serve as Past President, if available. If not available, this office will remain vacant. The Past President will be an advisor to the other officers, the Executive Committee, and the Board of Directors at large, taking on such other specific duties as the President shall prescribe from time to time.

D. Indemnification. To the fullest extent permitted by law, this corporation shall indemnify its Directors, officers, employees and other persons described in Section 5238 of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any proceeding as that term is used in that Section and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that Section where such liability arose during the course and scope of said duties.

7. **COMMITTEES OF THE BOARD.**

A. Committees of the Board. The Board may create one or more committees, each consisting of at least two Directors to serve at the pleasure of the Board. The committees shall comply with the Ralph M. Brown Act, except for ad hoc committees or advisory/fundraising committees.

(1) Authority of Board Committees. No committee may:

a) take any final action on any matter that also requires approval or ratification of the Board;

b) fill vacancies on the Board;

c) provide for compensation of any Director;

d) amend or repeal bylaws or adopt new bylaws;

e) amend or repeal any resolution of the Board ;

~~f)~~ create any other committees of the Board or appoint the members of

~~g)~~f) committees of the Board;

~~h)~~g) expend corporate funds without approval or ratification of the Board.

(2) Action of Board Committees. The Board may adopt rules for the governing of any committee, provided they are consistent with these bylaws. In the absence of rules adopted by the Board, the committee may adopt its own rules which are consistent with these by laws and applicable legal provisions.

B. Specific Board Committees.

(1) The total membership of any committee of the Board shall be less than a majority of the Board. A quorum of the committee shall consist of a majority of its members.

(2) Executive Committee. The corporation shall have an Executive Committee with such power and authority as is delegated to it by the Board of Directors and as is authorized by law. The Executive Committee shall consist of the President, Vice President, Secretary, Chief Financial Officer, Past President of the Foundation, and the Superintendent/President of Cabrillo Community College District, together with no more than six (6) currently sitting Directors at large, to be appointed by the President, making a total of no less than nine and no more than twelve members of the Executive Committee.

(3) Finance and Investment Committee. There shall be a finance and investment committee composed of the Chief Financial Officer and at

least two other Directors. This committee will report to the Board at each regular meeting concerning the income, expenses, and investments of the corporation, and will submit a budget annually for Board approval. Subject to the general supervision and ratification of the Board, the Finance and Investment Committee shall exercise control over the funds of the corporation, which funds may be invested by the Committee in such securities, banks, instruments, real and personal property, and other assets as the Committee shall determine to be prudent and appropriate from time to time in accordance with the Investment Policy adopted by the Board. The Committee shall have the authority to sell gifts received by the Foundation, and may authorize the Chief Financial Officer or other Officer to transfer, assign, convey title, execute stock powers, and to buy and sell stock, and other securities and instruments, and in general to exercise the powers of the corporation with regard to its assets and investments subject to Board policy and ratification.

(4) There shall be an Audit Committee. The Audit Committee shall meet with the auditor prior to the audit, and review the audit after the audit is completed. The Audit Committee is separate from the Finance Committee and presents its findings directly to the Executive Committee and the Board. Audit Committee members are appointed by the Board of Directors. There shall be a minimum of three members. At least one member shall have a strong accounting background with experience preparing, auditing, analyzing or evaluating financial statements and an understanding of internal controls and procedures for financial reporting. Members of the Finance Committee may serve on the Audit Committee so long as they make up less than half of the committee and do not serve as the chair of the Audit Committee.

(5) Nominating Committee. A Nominating Committee consisting of at least three Directors shall prepare a slate of nominees for all officers and for an appropriate number of Directors, due regard being given to the number of Directors with terms that will expire June 30 and to the total number of Directors sought for the Board. Concerning nomination of those Directors who are representatives of Cabrillo College, the committee may solicit and consider suggestions for nominees from the Governing Board of the Cabrillo College District and from the Cabrillo Faculty Senate. In the event of vacancies created by the death, resignation, removal or disqualification of a Director who is a college representative, either the Nominating Committee or the Executive Committee may recommend new college representative nominees for election by the Foundation Board at its next regular or special meeting.

C. Advisory/Fundraising Committees. The corporation shall have such advisory/fundraising committees as it may establish ~~from time to time~~ by resolution of the Board. Advisory/fundraising committees will function for such purposes and under such rules as established by the Board, or in the absence thereof, such rules as adopted by the committee, provided in all events that they are consistent with these bylaws. Advisory/fundraising committees shall take no action except as authorized by the Board.

8. **CORPORATE POWERS AND DUTIES.**

A. General Corporate Powers. Subject to the provisions and limitations of the California Non-Profit Public Benefit Corporation Law, Education Code sections 72670-72682, Title 5 of the California Administrative Code, the Ralph M. Brown Act, and any other applicable laws, and subject to any limitations of the Articles of Incorporation, the District's implementing regulations, the master agreement between the District and the Foundation, and these bylaws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

B. Specific Powers. Without prejudice to the general powers set forth above, and subject to the same limitations, the Board shall have the power to:

(1) Appoint and remove, at the pleasure of the Board, any or all of the corporation's officers or agents; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these bylaws; and fix their compensation and require from them, if deemed appropriate, security for faithful performance of their duties.

(2) Adopt, amend, and repeal bylaws;

(3) Purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, insuring against any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising out of such person's association with the corporation.

(4) To have the other powers set forth in Corporations Code Section 5140.

C. Budget and Related Issues. The Board of Directors shall approve all Foundation expenditures and fund appropriations. The Board shall cause to be prepared an annual budget which shall be reviewed and approved by the Board and the President/Superintendent at the May meeting. The Board shall adopt a written policy that specifies the procedures for accepting gifts, donations, bequests, trusts and specially funded grants.

D. Annual Audit. The Board of Directors shall select a certified public accountant who shall be provided with the applicable auditing and reporting procedures of the Foundation. The accountant shall have experience appropriate to the responsibility and shall have no financial interest in any contract or other transaction entered into by the Board of Directors. The accountant does not need to be a member of the Board of Directors. The accountant shall conduct an annual audit of any and all

Foundation funds and shall submit such audit to the Board, the Board of Trustees of the College District, and to the Board of Governors. The audited financial statements shall be available upon request and shall be distributed to the District's Board of Trustees at the first regularly scheduled meeting following acceptance of the audit report by the Board of Directors of the Foundation.

E. An attorney admitted to practice in California shall be selected to provide advice and counsel to the Board of Directors. The attorney shall have experience appropriate to the responsibility and shall have no financial interest in any contract or other transaction entered into by the Board of Directors which he/she serves. The attorney does not need to be a member of the Board of Directors.

9. **RECORDS AND REPORTS.**

A. Corporate Records. The corporation shall keep:

(1) adequate and correct books and records of account;

(2) written minutes of the proceedings of its Board and committees of the Board; and

(3) a record of each Director's name, address, telephone number, and term of office.

B. Inspection. On written demand, at any reasonable time, any Director may inspect, copy, and make extracts from the accounting books and records and the minutes of the proceedings of the Board of Directors, and Board committees. This right of inspection extends to the records of any advisory committee to the corporation.

C. Annual Report. The Board shall cause an annual report to be sent to all Directors and to the Superintendent/President by ~~November~~ September 15 of each year. That report shall contain the following information, in appropriate detail, for the fiscal year:

(1) All financial statements required to be filed with the California Community Colleges Chancellor's Office

(2) A comparison of budgeted and actual expenditures

(3) A description of major accomplishments of the organization

(4) A description of improvements proposed for operation of the organization.

(5) There shall be available for examination in the corporation's business office any reports and the annual report of independent accountants.

D. Audit. The accounts of the Chief Financial Officer and the annual report shall be audited by a certified public accountant appointed by the Directors at the end of each fiscal year, and at such other times as are deemed by the Directors to be appropriate.

10. PROHIBITED TRANSACTIONS.

No Director shall be financially interested in any contract or other transaction entered into by the Board of which he or she is a member subject to the provisions of Education Code Sections 72677-72679. No Director shall utilize any information, not a matter of public record, which is received by reason of his or her membership on the Board for personal pecuniary gain in accordance with Education Code section 72680.

11. CODE OF CONDUCT.

No Director shall act, either by motion, second, deliberation or vote, or have influence in any way on any matter brought before the Foundation through its committees or to the Board of Directors, or otherwise, when such matter will, or might, result in a direct or indirect personal or financial gain to such Director. No member of the Foundation's Board of Directors shall be financially interested in any contract or other transaction entered into by the Foundation except as permitted by law. No Director shall utilize any information, not a matter of public record, which is received by the person by reason of his or her membership on the Board, for personal pecuniary gain, regardless of when the gain is realized.

12. **RESTRICTIONS ON LOANS AND OTHER TRANSACTIONS.**

A. No loans shall be contracted on behalf of the Foundation and no negotiable paper shall be issued in its name, unless and except as authorized by the Board of Directors. When so authorized by the Board of Directors, any officer or agent of the Foundation may effect loans and advances at any time for the Foundation from any bank, trust company, or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the Foundation and when authorized as aforesaid, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Foundation, may pledge, hypothecate or transfer any and all stocks, securities and other personal property at any time held by the Foundation and to that end endorse, assign, and deliver the same.

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

13. **MISCELLANEOUS.**

A. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions of the applicable statutes shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

B. Compensation. No Director shall be compensated for his or her services as a Director of the corporation.

C. Fiscal Year. The fiscal year of the corporation shall begin on the first day of July and end on the last day of June of each year.

D. References to Public Laws. Any references to specific sections of any public law shall be deemed to refer to the appropriate corresponding provision of any future amendment, re-enactment, or successor laws, as required to carry out the intent of the original provision.

E. Interpretation. These bylaws shall be interpreted as necessary to maintain the corporation's tax exempt status.

14. **AMENDMENTS.**

New bylaws may be adopted, or these bylaws may be amended or repealed by a majority of the Directors then in office, provided a quorum is present. No amendment may extend the term of a Director beyond that for which the Director was elected with the sole exception of the President who has served two three-year terms and is extended a one year term to serve as Past President. These Bylaws will be reviewed every three years and brought to the Board of Directors for approval.

Approved by the CCF Board of Directors on September 15, 2015.

Approved, as amended, by the CCF Board of Directors on **September 11, 2018.**

Approved, as amended, by the Cabrillo Community College Governing Board Board of Directors on **October 1, 2018.**

~~O:\Foundation\Governance\Bylaws\CCF Bylaws Board APPROVED 9-11-18.doc~~

2020-21 Cabrillo College Foundation Committee Meetings and Events

Updated 3/30/2021

BOARD OF DIRECTORS
Tuesdays, 12:00-2:00 pm
Sesnon House or Zoom TBD
New Member Orientation
September 8, 2020
11:00-12:00 pm
(Sesnon House or Zoom TBD)

Meetings:
September 8, 2020
November 10, 2020
February 9, 2021
May 11, 2021
(Watsonville Center)

AUDIT
10:00-11:00 am
Sesnon House or Zoom TBD
October 7, 2020
June 11, 2021

EXECUTIVE
Thursdays, 9:00-10:00 am
Sesnon House or Zoom TBD
August 27, 2020
October 22, 2020
January 21, 2021
April 15, 2021

FINANCE AND INVESTMENT
Thursdays, 9:00-10:30 am
Sesnon House or Zoom TBD
August 19, 2020
October 8, 2020
November 16, 2020 (11 am)
December 14, 2020 (11 am)
January 15, 2021 (11 am)
February 11, 2021
March 25, 2021

FACULTY GRANTS
November 20, 2020
1:00 – 3:00 pm

NOMINATING
March 15, 2021
3:00 – 4:00 pm

PRESIDENT'S CIRCLE
September 10, 2020
5:30 – 7:00 pm
(kick-off party)

October 14, 2020
9:00 am – 12:00 pm
(signing pick up)

March 24, 2021
5:30 pm – 6:30 pm
(wrap-up party)

WOMEN'S EDUCATIONAL SUCCESS (WES)
Sesnon House Room 1824
June 2, 2020
10:00 am – 11:00 am

July 15, 2020
1:00 pm – 5:00 pm
(signing meeting)

September 25, 2020
11:30 am – 1:30 pm
Virtual Event

SCHOLARSHIP
November 12, 2020
3:00 – 4:00 pm

CABRILLO ADVANCEMENT PROGRAM
May 17, 2021
10:00 am

EXCLUSIVE EVENTS FOR PRESIDENT'S CIRCLE MEMBERS

Virtual Happy Hour with CC President
$5,000 + Members
March 17, 2021

Drive-Thru Event collaboration with Culinary Students
$1,500+ Members
April 17, 2021

Virtual Activity led by Cabrillo Faculty
$2,500+ Members
April 30, 2021

Sandy Lydon Virtual History
$1,000 + Members
May 20, 2021

Virtual Back to School Celebration
$1,000 + Members
October 2021

Virtual Feasting with Faculty
$10,000+ Members
Summer 2021

EVENT DATES

Faculty and Staff Grants Awards
January 21, 2021
4:00 pm – 5:00 pm

High Achiever Scholarship Ceremony
April 28, 2021
5:00 pm

Heritage Club Lunch
November 2021

President's Holiday Party
December 3, 2021

Colligan Family Scholarship Ceremony
Summer 2021 TBD

2020-21 Cabrillo College Foundation Committee Roster – Updated 3/30/2021

BOARD OF DIRECTORS
Rob Allen
Pegi Ard, CFO
Michele Bassi
Claire Biancalana, President
Owen Brown, Past President
Linda Burroughs
Ceil Cirillo
David Heald
Matt Huffaker
Amy Lehman, CC VP Student Services
Kelly Nesheim
Amy Newell
Ed Newman
Bradley Olin, VP Admin. Services, Asst. Treasurer
Erica Ow
June Padilla Ponce
Patty Quillin, Secretary
Maria Esther Rodriguez
Gun Ruder, Vice President
Karen Semingson
Rachael Spencer, College Trustee
Trevor Strudley
Kate Terrell
Julie Thiebaut
Rachel Wedeen
Kathie Welch, VP of Instruction
Matt Wetstein, Asst. Secretary, CC President
Kristin Wilson, Faculty Representative
Donna Ziel, College Trustee

AUDIT
Chair: Karen Semingson
Carrie Birkhofer
David Heald
Barbara Scherer
Staff: Eileen Hill
Nancy Machado

EXECUTIVE
Pegi Ard, CFO
Claire Biancalana, President
Owen Brown, Past President
Linda Burroughs
David Heald
Gun Ruder, Vice President
Rachael Spencer
Matt Wetstein, CC President
Staff: Eileen Hill
Nancy Machado

FINANCE & INVESTMENTS
CFO: Pegi Ard
Owen Brown
Marshall Delk
David Heald
Michael W. Machado
Kelly Nesheim
Gun Ruder
Steve Snodgrass
Trevor Strudley
Staff: Eileen Hill
Nancy Machado

CABRILLO ADVANCEMENT PROGRAM (CAP)
Chair: Carrie Birkhofer
Rob Allen
Enrique Buelna
Sesario Escoto
Leola Lapides
Rachel Mayo
Amy Newell
June Padilla Ponce
Maria Esther Rodriguez
Eva Acosta
College Advisors:
Liz Dominguez
Michelle Donohue
Staff: Eileen Hill, Caitlin Bonura

FACULTY GRANTS
Cherie Barkey
Owen Brown
Ted Burke
Linda Burroughs
Ceil Cirillo
Les Forster
Matt Huffaker
Francisco Íñiguez
Tobin Keller
Amy Newell
Gun Ruder
David Schwartz
Natalie Vanoli
Staff: Eileen Hill, Caitlin Bonura

NOMINATING
Chair: Owen Brown
Claire Biancalana
Jess Brown
Linda Burroughs
Ceil Cirillo
William Ow
Gun Ruder
Rachael Spencer
Lead Staff: Eileen Hill

PRESIDENT'S CIRCLE
Co-chairs:
Vance Landis-Carey
Duf Fischer
Paula Fischer
Pegi Ard
Jim Baker
Ed Banks
Pat Barton
Michele Bassi
Claire Biancalana
Mary Blanchard
Jess Brown
Owen Brown
Ted Burke
Linda Burroughs
Ceil Cirillo
Karen Cogswell
Wally Dale
Linda Downing
Lee Duffus
Kristin Fabos
Peggy Flynn
Joel-Ann Foote
Mahlon Foote
DeAnne Hart
Rich Hart
Jackie Heald
Kent Imai
Julie Lambert
Marilyn Manning Lonergan
Richard Lonergan
Fred McPherson
Bob Millslagle
Kelly Nesheim
Ed Newman
Erica Ow
William Ow
June Padilla Ponce
Ginny Solari Mazry
Rachael Spencer
Steve Snodgrass
Julie Thiebaut
Rachel Wedeen
Matt Wetstein
Theo Wierdsma
Bjorg Yonts
Staff: Caitlin Bonura

SCHOLARSHIP
Chair: Rachael Spencer
Claire Biancalana
Jess Brown
Ceil Cirillo
Virginia Coe
Karen Cogswell
Linda Downing
Jan Furman
Rich Hart
Adele Miller
Corinne Miller
Julie Thiebaut
Rachel Wedeen
Jill Wilson
Staff: Caitlin Bonura

WOMEN'S EDUCATIONAL SUCCESS (WES)
Co-chairs:
Mary Culley
Tonée Picard
Peggy Downes Baskin, cofounder
Sue Broadston
Lynette Cleland
Cathy Conway
Freny Cooper
Cynthia Druley
Corrine Flanagan
Peggy Flynn
Pam Goodman
Amy Ivey
Kathleen Jones
Janet Krassow
Angie McClellan
Mara Palandrani
Carolyn Parham
Gail Pellerin
Patty Quillin
Karen Semingson
Rachael Spencer, cofounder
Bunny Tavares
Kate Terrell
Karri White
Kristin Wilson
Donna Ziel

WES Advisors:
Marcy Alancraig
Leti Amezcua
Jenna Becker
Rosemary Brogan
Sue Bruckner
Lauren Cole
Olga Diaz
Mario Garcia
Ofelia Garcia
Irma Gil
Holly Goodman
Gabby Huezo
Jay Jackson
Teresa Kidwiler
Elissa Kurk
Michelle Morton
Shirley Flores-Munoz
Diego Navarro
Christina Ortega
Beth Regardz
Ana Rodriguez
Barbara Schultz-Perez
Nancy Spangler
Tasha Sturm
Laura Thurman
Windy Valdez
Marilyn Zanetti
Staff: Caitlin Bonura