

**MEMORANDUM OF AGREEMENT BETWEEN MILLS COLLEGE
AND
THE ALUMNAE ASSOCIATION OF MILLS COLLEGE**

This Memorandum of Agreement (the “*MOA*”) dated July 1, 2007 (the “*Effective Date*”) replaces and restates a prior MOA dated July 1, 2005 by and between Mills College, a California non-profit corporation operating as an accredited institution of higher education (the “*College*”), and the Alumnae Association of Mills College, a California non-profit corporation (the “*AAMC*”) in the following factual context:

A. The AAMC is an independent 501(c)(3) corporation formed to “promote the interests of Mills College and its alumnae and alumni and to engage in any activity permitted under the California Nonprofit Public Benefit Law” as amended, including the restrictions on fundraising mandated by the California Nonprofit Integrity Act of 2004 (SB 1262, Cal Gov Code Section 12599). The AAMC desires to remain independent of the College.

B. The College desires the AAMC to be an effective and vigorous organization that engages alumnae and alumni in the mission of the College so that future generations of students can benefit from an excellent education at Mills.

C. For many years, the AAMC conducted a robust annual fund, using contributions from the College’s alumnae/alumni to support the operations of the AAMC, to provide valuable services and programs to alumnae/alumni, and to provide an annual gift to the College for student scholarships and faculty salaries.

D. In July 2005 the Annual Fund was integrated with the College’s overall fundraising activities to create economies of scale and streamline donor campaigns soliciting gifts from College alumnae and alumni. This consolidation reflected current trends in higher education as well as the increased sophistication and competitiveness of fundraising endeavors in the non-profit sector.

E. The MOA dated July 1, 2005 obligated the College to provide financial and other support to the AAMC to replace funds historically drawn from Annual Fund gifts to maintain the AAMC’s operations as an independent 501(c)(3) corporation. In executing the July 1, 2005 MOA, both parties believed that the transfer of fundraising duties to the College would leave the AAMC in a good position to enhance alumnae/alumni relations and build support for the College among an expanded alumnae/alumni network. AAMC successes in enhancing alumnae/alumni relations after July 1, 2005 include branch events in Chicago, Los Angeles, Seattle, and Washington, D.C.; a winter reception for new alumnae/alumni; and a Pearl M dinner.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Independence of AAMC. The AAMC will retain its current status as a non-profit 501(c)(3) corporation independent of the College. The AAMC will continue to control its investments, financial accounts, and assets as described in 2 below. The College will assume responsibility for planning and implementing alumnae/alumni and College relations programs and functions, including Reunion and the Mills Quarterly, using its best efforts to improve these programs and functions so as to maintain the commitment of current alumnae/alumni and build connections with others. Both parties will work together to ensure that the various AAMC branches receive the support and information they need to strengthen connections with alumnae/alumni in each branch area.

2. Management of AAMC Assets. The College will ensure that the AAMC retains ownership and management control over certain assets as detailed below. Other AAMC assets will become assets of the College consistent with the provisions of this MOA as detailed below:

(a) Reinhardt Alumnae House. The College will continue to comply with its obligations under the Agreement relating to Reinhardt Alumnae House (“*RAH*”), which was entered into by and between the parties as of December 6, 1948 (the “*RAH Agreement*”). A copy of the RAH Agreement, which is a separate and independent agreement between the parties, is attached as Exhibit A. The routine maintenance and utility costs payable by the College under the RAH Agreement are: maintaining the infrastructure for water, electrical and gas service; paying the AAMC’s cost shares for water, light, heat and gas; maintaining a suitable campus connecting road to RAH; and providing insurance coverage for fire and similar hazards to the building but not for furnishings and other personal property owned by the AAMC. The insurance costs payable by the College under the RAH Agreement include covering RAH under the College’s fire and casualty insurance and naming the AAMC as an additional insured under the College’s general liability policy, in both cases subject to standard deductions, which would be payable by the College. The College will maintain campus infrastructure and operating systems for telephone and computer service to RAH, and it will provide routine maintenance of the surrounding grounds as needed for standard upkeep of landscaping features, as well as to maintain the integrity of the building.

(b) Furnishings, Art Objects, and Other Personal Property. All furnishings, art objects (including the teapot collection), and other personal property housed in Reinhardt Alumnae House or loaned to the College by the AAMC are subject to exclusive rights of ownership and control by the AAMC. As such, the AAMC assumes all risk of loss with regard to such furnishings and personal property and is responsible for obtaining insurance to cover such risk of loss. For the future, the parties acknowledge that individual donors sometimes choose to give items of personal property to the AAMC for the express purpose of making the items available for enjoyment and use by visitors to RAH. The parties further acknowledge their good faith commitment to observing this donor intent under the conditions in 4 below.

(c) Endowment and Future Gifts to Endowment. The AAMC’s current endowment account, as well as all future gifts to that account, are subject to exclusive

rights of ownership and control by the AAMC. Donors wishing to make future gifts to the AAMC endowment must use clear and express language indicating their intent to give to the AAMC endowment, as opposed to endowment funds at the College. Bequests that fail to express donor intent to make a gift exclusively for the benefit of the AAMC will automatically go to the College as specified in 4 below.

(d) Other Financial Assets. All other financial assets of the AAMC, including cash reserves, investment accounts, and gift funds or liquid assets received and recorded as gifts to the AAMC by or before June 30, 2007, are subject to exclusive rights of ownership and control by the AAMC. As of July 1, 2007, all donor gifts made to support AAMC alumnae relations, the AAMC alumnae relations budget, or AAMC programs or operations will transfer to the College consistent with the provisions of this MOA.

(e) Alumnae/Alumni Records. Alumnae/alumni records, including paper files, computer files, and archived materials will become assets of the College in an orderly transition intended to preserve the integrity of such records. After June 30, 2007, if the AAMC lacks staffing resources to ensure that records are properly sorted, archived, or otherwise preserved for future use by the College for performance of alumnae relations functions, the College will provide the necessary resources for such preservation. Once the transfer is complete, the AAMC will maintain a right of access to alumnae/alumni records as needed for AAMC business purposes.

(f) Mills Quarterly. The College will publish the Mills Quarterly, making a commitment to preserve its value to alumnae/alumni by maintaining a minimum publication schedule of four times per year and distributing each issue to all living alumnae/alumni with mailing addresses known to the College. The current advisory board for the Quarterly will become an editorial board with member representatives from both the AAMC and the College. The AAMC shall have sufficient space in each Quarterly to conduct AAMC business and communicate with the AAMC membership. Any changes to AAMC content that the College proposes for proofing or formatting purposes will be submitted for review by the AAMC prior to publication.

(g) Exclusions. In general the College is unable to assume responsibility for providing services and support that are essential features of the AAMC's status as an independent, separate 501(c)(3) corporation. The College will not pay any form of insurance coverage for AAMC employees, the AAMC Board of Governors, or furnishings and personal property belonging to the AAMC. The College will not provide any form of pension or tuition benefits for AAMC employees.

3. AAMC Fundraising.

(a) Permissible Fundraising Activities. The AAMC may raise funds under its name (which includes the name of the College) to enhance its own endowment fund or for other purposes endorsed by the College (pursuant to the requirements of the California Nonprofit Integrity Act of 2004) by seeking in-kind contributions, operating a travel

program for alumnae, selling AAMC branded merchandise, and using other methods as mutually agreed with the College. AAMC agrees to refrain from any formal planned giving program.

(b) Membership Dues. The AAMC governing body will not charge dues. However, AAMC Branches may charge dues at their discretion to support their operations and programs.

4. Gifts and Bequests. The College and the AAMC will inform alumnae/alumni of the need for clarity in expressions of donor intent regarding gifts and bequests made solely for the benefit of the College or the AAMC, or for the benefit of both. This information to alumnae/alumni will stress that all gifts and bequests in support of alumnae relations, AAMC programs, or AAMC operations will automatically go to the College effective July 1, 2007. All gifts and bequests – whether cash, stocks and bonds, art objects, personal items, realty or other property -- received by the AAMC after July 1, 2007 will be disclosed to the College as soon as information about a proposed, pending, or actual gift becomes available. All gifts and bequests clearly intended to support alumnae relations will be used by the College for that purpose. All gifts and bequests clearly intended to enhance the AAMC endowment will be used by the AAMC for that purpose. In instances where clarity of donor intent is lacking, the presumption will be that the gift goes to the College to support alumnae relations or other designated purposes, except that gifts of personal items seemingly intended for AAMC use will transfer to AAMC ownership subject to the following exclusions:

(a) Items requiring the type of preservation, maintenance, care, or storage within the resources or expertise of the College's Library or Art Museum -- and not within the resources or expertise of the AAMC -- go to the College.

(b) Items of significant value that can readily be converted to cash funds go to the College to support alumnae relations activities or other purposes within its educational mission as determined by the College.

5. Reunion. With input about alumnae/alumni interests from the AAMC, the College will run a reunion similar to reunions run by the AAMC prior to the Effective Date. Charges for attendees at reunion will be set to cover the costs of running the event, with any excess retained by the College. Class gifts made at reunion will be for the College, and the College will be active in soliciting gifts for the Annual Fund at reunion. AAMC activities at reunion will focus on gathering information about alumnae/alumni interests and expectations for the College and will not include any fundraising efforts, except for the permissible activities described in 3(a) above.

6. Financial Books and Records. The AAMC and the College will maintain their respective financial books and records in auditable form and will have regular audits prepared by a certified public accountant. A copy of the AAMC's audit and the auditor's management letter will be furnished to the College. On written request from the AAMC's

Board of Governors for reasons stated in the request, the College will provide the AAMC with a copy of its most recent audited financial statement.

7. Mutual Cooperation. The College and the AAMC will cooperate with each other in good faith to further their mutual goals of retaining and strengthening ties between the College and its alumnae/alumni. Specific areas of mutual cooperation include the following commitments between the parties:

(a) The College will amend its Bylaws to designate the individual serving as AAMC President as a regular member of the College's Board of Trustees. The term for service as College Trustee shall correspond to the term of office as AAMC President. The AAMC President shall be the primary spokesperson for the AAMC Board of Governors to the Board and the College administration. Close connections to the College will be maintained by regular meetings with the College President and other College officers as appropriate. The College will continue to maintain three Alumnae Trustees on the Board, each of whom shall be elected by the AAMC membership under an election process to be determined by the AAMC Board of Governors. At the request of the Board of Governors, the College will permit use of the Mills Quarterly as a vehicle for elections of Alumnae Trustees pursuant to a written agreement between the parties stating the details of a plan designed to ensure a fair and open election process through a publication supported and run by the College.

(b) The College will include alumnae/alumni representatives on all major campus committees, task forces, and other groups formed to provide direction and guidance to the College administration and/or the Board of Trustees. Such groups include but are not limited to the campus diversity and strategic planning committees. Alumnae/alumni representatives will be appointed by the AAMC President in consultation with the AAMC Board of Governors, the College President, and the Board of Trustees Chair.

8. Term and Conditions of Termination.

(a) Term. The parties intend this MOA to remain in effect as long as the AAMC maintains its status as an independent non-profit corporation with no change to the mission and purposes stated in A above.

(b) Conditions of Termination. By this MOA, the parties intend to create a long-term relationship of continued cooperation in promoting the educational mission of the College. In the event that the AAMC elects to pursue dissolution of corporate status, this MOA will terminate and all assets of the AAMC will become assets of the College. Decisions about how the various assets will be absorbed by the College will be made by the AAMC Board of Governors in accordance with the AAMC Bylaws.

9. Written Amendments. Any amendments to this MOA must be in a written document signed by both parties.

10. Disclosure. The means of dissemination of this MOA, or of the information contained in it, are subject to the mutual, reasonable approval of both parties. Approval by either party will not be unreasonably withheld.

11. Authority. The College represents to the AAMC that the execution, delivery and performance of this MOA by the College have been duly authorized, and that the person signing on behalf of the College is authorized to do so. The AAMC represents to the College that the execution, delivery and performance of this MOA by the AAMC have been duly authorized, and that the person signing on behalf of the AAMC is authorized to do so.

12. Dispute Resolution. In the event of a claim by either party to this MOA against the other party, claiming that the other party has violated the MOA, the parties agree to explore every reasonable means available to resolve the dispute, including non-binding mediation or arbitration.

The parties have executed this MOA as of the Effective Date.

Mills College

The Alumnae Association of Mills College

By _____
Vivian Stephenson
Chair, Board of Trustees

By _____
Anita Aragon Bowers
President