

May 18, 2021

Statement to FPPC Regarding Resolution of Case 19-475

Dear FPPC Commissioners,

This is my first opportunity to provide my personal comment regarding your decision to approve a stipulation with the College of the Canyons Foundation at your April meeting.

In short, I am not satisfied with the work of the Enforcement Division and the Commission.

Shortly after I made my public comment, Commissioner Miadich instructed the other Commissioners to remain within the "four corners" of the stipulation, discounting all of the documentation that I had presented in advance of your April meeting.

Much of the documentation I presented was to present the case that the Enforcement Division had not remained within the four corners of the rules, regulations, and statutes when preparing the stipulation presented for your consideration.

For example, much of the case hinged upon a determination of whether the Foundation had used non-donor funds in making contributions (\$150,000) to the yes on Measure E Committee.

I presented evidence that the money from contracts between the Santa Clarita Community College District and Barnes and Noble and Bottling Group LLC were referred to as Donations and Sponsorships respectively in the contracts.

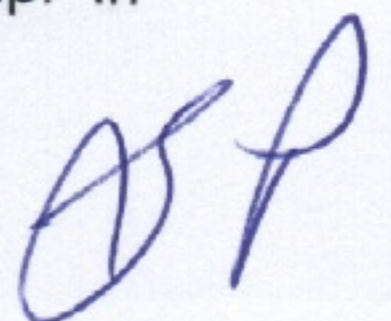
Angela Brereton presented a case that they could not be donations because they were not voluntary and there was no consideration. She explicitly stated that a layman's definition of donation was not applicable and that the funds sent to the Foundation were in fact "contractual obligations".

This is Alice in Wonderland logic, words mean whatever the Enforcement Division wants them to mean ?

Merriam Webster defines a donation as
The act or an instance of donating such as
The making of a gift especially to a charity or public institution, a free gift.

Angela Brereton failed to bring to the Commissioners attention that statute 84222 c(5) (b) defines "non donor funds". Non donor funds means investment income sale of assets, or other receipts that are not donations.

The monies sent to the Foundation by Barnes and Noble were characterized explicitly as a donations, while the funds from Bottling Group LLC were characterized as a sponsorship. In



both cases funds that should have remained with the District but were steered to the Foundation and the expenditure was limited to the sole discretion of the college Chancellor.

The contracts were made between the District and the vendors, the Foundation was not a party to either of the contracts. If the Bottling Group or Barnes and Noble had failed to pay, the Foundation would not have standing to enforce the contract.

There is no evidence in the record that the Foundation recognized the funds from Bottling Group LLC and Barnes and Noble as anything other than donations. The conclusion must be that the funds were donations.

The conclusion must be that the contributions from the Foundation to the Yes on Measure E Committee were made with donor funds, and it qualified as a recipient committee.

I must again point out that the Foundation Responsible Officer was deceptive and misleading when filing Form 461, the Major Donor Campaign Statement. On page three the responsible officer stated "contributions made from revenue received in exchange for exclusive distribution or management right on campus.

The Foundation has no distribution or management right on campus to exchange for revenue. This statement was a ruse.

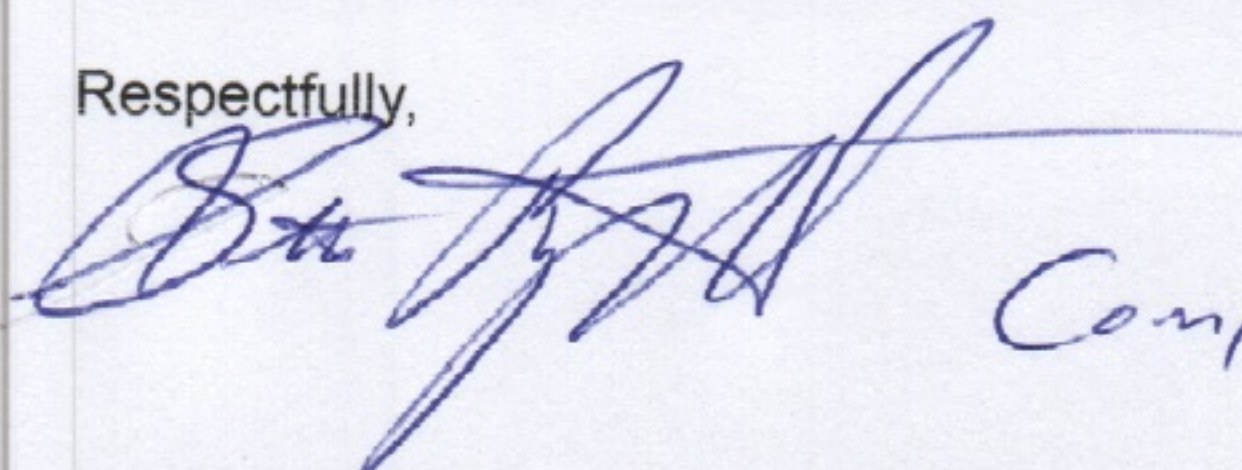
There is also the question of whether the Yes on E Committee qualified as a Sponsored Committee. Attorney for Respondent Lacey Keys casually states that since the the funds from the Foundation were less than 80% of total contributions it is not a sponsored committee.

However, the Foundation did provide all or nearly all the administrative services for the committee. The Principal Officer and Treasurer of the Yes on E Committee was hired by the Foundation. Mr McCarty was a member of the Foundation. The three individuals who authorized the expenditure of the contributions were all members of the Foundation. In her August phone call to the FPPC Lacey Keys said that the Yeas on E Committee was sponsored by the Foundation.

I believe that there was great damage done to campaign finance reform when the Commission approved this stipulation. In effect you laid out a road map for public agencies to steer public funds to a nonprofit Foundation using questionable contracting practices to a committee supporting a bond measure.

My confidence in the FPPC and the Commission has been terribly shaken. It appears to me that you interpreted the words of statutes and common words to reach a desired result.

Respectfully,

 Complaint 19-475



GOVERNMENT CODE - GOV

TITLE 9. POLITICAL REFORM [81000 - 91014] (Title 9 added June 4, 1974, by initiative Proposition 9.)

CHAPTER 4. Campaign Disclosure [84100 - 84511] (Chapter 4 added June 4, 1974, by initiative Proposition 9.)

ARTICLE 2. Filing of Campaign Statements [84200 - 84225] (Article 2 added June 4, 1974, by initiative Proposition 9.)

84222. (a) For purposes of this title, "multipurpose organization" means an organization described in Sections 501(c)(3) to 501(c)(10), inclusive, of the Internal Revenue Code and that is exempt from taxation under Section 501(a) of the Internal Revenue Code, a federal or out-of-state political organization, a trade association, a professional association, a civic organization, a religious organization, a fraternal society, an educational institution, or any other association or group of persons acting in concert, that is operating for purposes other than making contributions or expenditures. "Multipurpose organization" does not include a business entity, an individual, or a federal candidate's authorized committee, as defined in Section 431 of Title 2 of the United States Code, that is registered and filing reports pursuant to the Federal Election Campaign Act of 1971 (Public Law 92-225).

(b) A multipurpose organization that makes expenditures or contributions and does not qualify as a committee pursuant to subdivision (c) may qualify as an independent expenditure committee or major donor committee if the multipurpose organization satisfies subdivision (b) or (c) of Section 82013.

(c) Except as provided in subparagraph (A) of paragraph (5), a multipurpose organization is a recipient committee within the meaning of subdivision (a) of Section 82013 only under one or more of the following circumstances:

- (1) The multipurpose organization is a political committee registered with the Federal Election Commission, except as provided in subdivision (a) of this section, or a political committee registered with another state, and the multipurpose organization makes contributions or expenditures in this state in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013.
- (2) The multipurpose organization solicits and receives payments from donors in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013 for the purpose of making contributions or expenditures.
- (3) The multipurpose organization accepts payments from donors in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013 subject to a condition, agreement, or understanding with the donor that all or a portion of the payments may be used for making contributions or expenditures.
- (4) The multipurpose organization has existing funds from a donor and a subsequent agreement or understanding is reached with the donor that all or a portion of the funds may be used for making contributions or expenditures in an amount equal to or greater than the amount identified in subdivision (a) of Section 82013. The date of the subsequent agreement or understanding is deemed to be the date of receipt of the payment.
- (5) The multipurpose organization makes contributions or expenditures totaling more than fifty thousand dollars (\$50,000) in a period of 12 months or more than one hundred thousand dollars (\$100,000) in a period of four consecutive calendar years.

(A) A multipurpose organization shall not qualify as a committee within the meaning of subdivision (a) of Section 82013 pursuant to this paragraph if the multipurpose organization makes contributions or expenditures using only available nondonor funds. A multipurpose organization that makes contributions or expenditures with nondonor funds shall briefly describe the source of the funds used on its major donor or independent expenditure report.

(B) For purposes of this paragraph, "nondonor funds" means investment income, including capital gains, or income earned from providing goods, services, or facilities, whether related or unrelated to the multipurpose organization's program, sale of assets, or other receipts that are not donations.

(d) A multipurpose organization that is a committee pursuant to paragraph (1) of subdivision (c) shall comply with the registration and reporting requirements of this chapter, subject to the following:

(1) The multipurpose organization is not required to comply with subdivision (k) of Section 84211 for contributions and expenditures made to influence federal or out-of-state elections, which shall instead be reported as a single expenditure and be described as such on the campaign statement.

(2) A multipurpose organization registered with the Federal Election Commission is not subject to subdivisions (d) and (f) of Section 84211 but shall disclose the total amount of contributions received pursuant to subdivision (a) of Section 84211, and shall disclose the multipurpose organization's name and identification number registered with the Federal Election Commission on the campaign statement.

(e) (1) A multipurpose organization that is a committee pursuant to paragraph (2), (3), (4), or (5) of subdivision (c) shall comply with the registration and reporting requirements of this chapter, subject to the following, except that if the multipurpose organization is the sponsor of a committee as described in subdivision (f) it may report required information on its sponsored committee statement pursuant to subdivision (f):

(A) The multipurpose organization shall register in the calendar year in which it satisfies any of the criteria in subdivision (c). The statement of organization filed pursuant to Section 84101 shall indicate that the organization is filing pursuant to this section as a multipurpose organization and state the organization's nonprofit tax exempt status, if any. The statement of organization shall also describe the organization's mission or most significant activities, and describe the organization's political activities. A multipurpose organization may comply with the requirement to describe the mission or significant activities and political activities by referencing where the organization's Internal Revenue Service Return of Organization Exempt From Income Tax form may be accessed.

(B) Except as provided in this subparagraph, the registration of a multipurpose organization that meets the criteria of paragraph (5) of subdivision (c) shall terminate automatically on December 31 of the calendar year in which the multipurpose organization is registered. The multipurpose organization shall not be required to file a semiannual statement pursuant to subdivision (b) of Section 84200, unless the multipurpose organization has undisclosed contributions or expenditures to report, in which case termination shall occur automatically upon filing the semiannual statement that is due no later than January 31. After the multipurpose organization's registration has terminated, the multipurpose organization's reporting obligations are complete, unless the organization qualifies as a committee for purposes of subdivision (a) of Section 82013 again in the following calendar year pursuant to subdivision (c) of this section. Notwithstanding this subdivision, a multipurpose organization may elect to remain registered as a committee by submitting written notification to the Secretary of State prior to the end of the calendar year.

(C) A multipurpose organization shall report all contributions received that satisfy the criteria of paragraph (2), (3), or (4) of subdivision (c) of this section in the manner required by subdivision (f) of Section 84211, and for the balance of its contributions or expenditures shall further report contributors based on a last in, first out accounting method.

(2) A multipurpose organization reporting pursuant to this subdivision shall disclose total contributions received in an amount

equal to the multipurpose organization's total contributions and expenditures made in the reporting period. When a multipurpose organization reports donors based on the last in, first out accounting method, it shall attribute to and include the information required by subdivision (f) of Section 84211 for any donor who donates one thousand dollars (\$1,000) or more in a calendar year, except for the following:

(A) A donor who designates or restricts the donation for purposes other than contributions or expenditures.

(B) A donor who prohibits the multipurpose organization's use of its donation for contributions or expenditures.

(C) A private foundation, as defined by subdivision (a) of Section 509 of the Internal Revenue Code, that provides a grant that does not constitute a taxable expenditure for purposes of paragraph (1) or (2) of subdivision (d) of Section 4945 of the Internal Revenue Code.

(3) A multipurpose organization that qualifies as a committee pursuant to paragraph (5) of subdivision (c) shall not be required to include contributions or expenditures made in a prior calendar year on the reports filed for the calendar year in which the multipurpose organization qualifies as a committee.

(4) If a multipurpose organization qualifies as a committee solely pursuant to paragraph (5) of subdivision (c) and the committee is required to report donors based on a last in, first out accounting method pursuant to paragraph (1), the multipurpose organization shall not be required to disclose donor information for a donation received by the multipurpose organization prior to July 1, 2014. This paragraph shall not apply with respect to a donation made by a donor who knew that the multipurpose organization would use the donation to support or oppose a candidate or ballot measure in the state by requesting that the donation be used for that purpose or by making the donation in response to a message or solicitation indicating the multipurpose organization's intent to use the donation for that purpose.

(5) A contributor identified and reported in the manner provided in subparagraph (C) of paragraph (1) that is a multipurpose organization and receives contributions that satisfy the criteria in subdivision (c) shall be subject to the requirements of this subdivision.

(6) The commission shall adopt regulations establishing notice requirements and reasonable filing deadlines for donors reported as contributors based on the last in, first out accounting method.

(f) A multipurpose organization that is the sponsor of a committee as defined in Section 82048.7, that is a membership organization, that makes all of its contributions and expenditures from funds derived from dues, assessments, fees, and similar payments that do not exceed ten thousand dollars (\$10,000) per calendar year from a single source, and that elects to report its contributions and expenditures on its sponsored committee's campaign statement pursuant to paragraph (1) of subdivision (e) shall report as follows:

(1) The sponsored committee shall report all contributions and expenditures made from the sponsor's treasury funds on statements and reports filed by the committee. The sponsor shall use a last in, first out accounting method and disclose the information required by subdivision (f) of Section 84211 for any person who pays dues, assessments, fees, or similar payments of one thousand dollars (\$1,000) or more to the sponsor's treasury funds in a calendar year and shall disclose all contributions and expenditures made, as required by subdivision (k) of Section 84211, on the sponsored committee's campaign statements.

(2) The sponsored committee shall report all other contributions and expenditures in support of the committee by the sponsor, its intermediate units, and the members of those entities. A sponsoring organization makes contributions and expenditures in support of its sponsored committee when it provides the committee with money from its treasury funds, with the exception of establishment or administrative costs. With respect to dues, assessments, fees, and similar payments channeled through the sponsor or an intermediate unit to a sponsored committee, the original source of the dues, assessments, fees, and similar payments is the contributor.

(3) A responsible officer of the sponsor, as well as the treasurer of the sponsored committee, shall verify the committee's campaign statement pursuant to Section 81004.

(g) For purposes of this section, "last in, first out accounting method" means an accounting method by which contributions and expenditures are attributed to the multipurpose organization's contributors in reverse chronological order beginning with the most recent of its contributors or, if there are any prior contributions or expenditures, beginning with the most recent contributor for which unattributed contributions remain.

(Added by Stats. 2014, Ch. 16, Sec. 6. (SB 27) Effective May 14, 2014. Operative July 1, 2014, by Stats. 2014, Ch. 16, Sec. 10.)

RECEIVED BY
LOS ANGELES COUNTY
2019 APR 24 AM 11:06
CAMPAIGN FINANCE

5916

Major Donor and Independent Expenditure Committee Campaign Statement

MAJOR DONOR AND INDEPENDENT EXPENDITURE COMMITTEE STATEMENT

Date Stamp 4/18/19 3	CALIFORNIA FORM 461
	Page 1 of 3
	For Official Use Only
	m19547

Statement covers period	Date of election if applicable: (Month, Day, Year)
from 01/01/2016	
through 06/30/2016	

SEE INSTRUCTIONS ON REVERSE

1. Name and Address of Filer

NAME OF FILER
College of the Canyons Foundation

RESIDENTIAL OR MAILING ADDRESS (NO. AND STREET)
26455 Rockwell Canyon Road

CITY STATE ZIP CODE
Santa Clarita CA 91355

RESPONSIBLE OFFICER (If filer is other than an individual)
Cecy Kitz

AREA CODE/DAYTIME PHONE
(661) 362-3639

3. Summary

(Amounts may be rounded to whole dollars.)

1. Expenditures and contributions (including loans) of \$100 or more made this period. (Part 5.)	\$ 150,000.00
2. Unitemized expenditures and contributions (including loans) under \$100 made this period.	\$ 0.00
3. Total expenditures and contributions made this period. (Add Lines 1 + 2.)	SUBTOTAL \$ 150,000.00
4. Total expenditures and contributions made from prior statement. (Enter amount from Line 5 of last statement filed. If this is the first statement for the calendar year, enter zero.)	\$ 0.00
5. Total expenditures and contributions (including loans) made since January 1 of the current calendar year. (Add Lines 3 + 4.)	TOTAL \$ 150,000.00

2. Nature and Interests of Filer (Complete each applicable section.)

A FILER WHO IS AN INDIVIDUAL MUST LIST THE NAME, ADDRESS, AND BUSINESS INTERESTS OF EMPLOYER OR, IF SELF-EMPLOYED, THE NAME, ADDRESS, AND NATURE OF THE BUSINESS

NAME OF EMPLOYER/BUSINESS	BUSINESS INTERESTS
ADDRESS OF EMPLOYER/BUSINESS	


A FILER THAT IS A BUSINESS ENTITY MUST DESCRIBE THE BUSINESS ACTIVITY IN WHICH IT IS ENGAGED

A FILER THAT IS AN ASSOCIATION MUST PROVIDE A SPECIFIC DESCRIPTION OF ITS INTERESTS

A FILER THAT IS NOT AN INDIVIDUAL, BUSINESS ENTITY, OR ASSOCIATION MUST DESCRIBE THE COMMON ECONOMIC INTEREST OF THE GROUP OR ENTITY
Community College Auxiliary Organization

4. Verification

I have used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 4-11-19 By 
DATE SIGNATURE OF INDIVIDUAL DONOR OR RESPONSIBLE OFFICER IF OTHER THAN AN INDIVIDUAL

Amendment (Explain): _____

19-495
Comment 3
Exhibit 1
Page 2

20

FILED

Statement covers period

from 01/01/2016

through 06/30/2016

Page 2 of 3

CALIFORNIA FORM 461

Amounts may be rounded to whole dollars.

Major Donor and Independent Expenditure Committee Campaign Statement

SEE INSTRUCTIONS ON REVERSE NAME OF FILER

College of the Canyons Foundation

5. Contributions (Including Loans, Forgiveness of Loans, and Loan Guarantees) and Expenditures Made

(If more space is needed, use additional copies of this page for continuation sheets.)

DATE	NAME, STREET ADDRESS, CITY, STATE AND ZIP CODE OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	TYPE OF PAYMENT	DESCRIPTION OF PAYMENT (IF OTHER THAN MONETARY CONTRIBUTION OR LOAN)	CANDIDATE AND OFFICE, MEASURE AND JURISDICTION, OR COMMITTEE	AMOUNT THIS PERIOD	CUMULATIVE AMOUNT RELATED TO THIS CANDIDATE, MEASURE, OR COMMITTEE
03/22/2016	Committee for College of the Canyons - Yes on Measure E (ID# 1384666) 21300 Victory Blvd., Suite 420 Woodland Hills, CA 91367	<input checked="" type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure		Local School Bond, Measure E Santa Clarita Community College District <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	50,000.00	150,000.00
04/26/2016	Committee for College of the Canyons - Yes on Measure E (ID# 1384666) 21300 Victory Blvd., Suite 420 Woodland Hills, CA 91367	<input checked="" type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure		Local School Bond, Measure E Santa Clarita Community College District <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	50,000.00	150,000.00
05/18/2016	Committee for College of the Canyons - Yes on Measure E (ID# 1384666) 21300 Victory Blvd., Suite 420 Woodland Hills, CA 91367	<input checked="" type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure		Local School Bond, Measure E Santa Clarita Community College District <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	50,000.00	150,000.00

SUBTOTAL \$ 150,000.00

**Additional Comments
For Form 461 Cover Page**

ADDITIONAL COMMENTS (Cover)
CALIFORNIA
FORM 461

Page 3 of 3
I.D. NUMBER

NAME OFFILER
College of the Canyons Foundation

Contributions made from revenue received in exchange for exclusive distribution or management rights on campus.

Comment 3 Exhibit 1 Page 3

Barnes & Noble June 11, 2014 Meeting

District

Contract for campus bookstore

Barnes & Noble

Gross sales is defined as all collected sales at the Bookstore, including, but not limited to textbook rentals and sales from the Bookstore's website, less voids, refunds, sales tax, discounted departmental sales, handling fees associated with non-return of rental textbooks, campus debit card fees, discounted faculty/staff sales, pass-through income, merchandise sales at less than a twenty percent (20%) gross margin such as computer hardware as reasonably determined by Barnes & Noble, and other merchandise mutually designated as non-commissionable. When Barnes & Noble sells digital content as an agent, Barnes & Noble's agency fee shall be the applicable gross sales for such digital content.

20. Payment Schedule:

Applicable payments as set forth above hereof shall be made monthly by Barnes & Noble to District and shall be paid within thirty (30) days after the close of the quarter in which they were earned.

Each payment shall be accompanied by a detailed statement of its computation and Barnes & Noble shall furnish supporting documentation to District upon request.

21. Annual Textbook Scholarship:

Barnes & Noble will provide District an annual textbook scholarship donation of Ten Thousand Dollars (\$10,000), to be used in the Bookstore on campus, beginning July 1, 2014, and each July thereafter, during the Term of this Agreement and renewal or extension period thereafter. Funds will be available on credit through the Bookstore. On an annual basis, District will provide the Bookstore with a list of students that will receive the scholarship, and Barnes & Noble will provide documentation that scholarships have been awarded.

22. Annual Unrestricted Donation:

Barnes & Noble will provide the College of the Canyons Foundation with an annual unrestricted donation of Ten Thousand Dollars (\$10,000), to be used at the discretion of the Chancellor. Payment shall be issued to District by July 15, 2014, and each July 15th thereafter, during the Term of this Agreement and renewal or extension period thereafter.

23. One-Time Donation:

District shall reimburse B&N

Barnes & Noble shall provide the College of the Canyons Foundation with a one-time donation of Two Hundred Thousand Dollars (\$200,000) to be used at the discretion of Chancellor. Payment shall be issued to District by July 15, 2014. Barnes & Noble will amortize this investment on a straight-line basis over the five (5) year Term of this Agreement. Should the District cancel this Agreement before the end of the first five (5) year Term, then District shall reimburse Barnes & Noble for any amount of the investment not yet amortized.

24. Capital Commitment:

Barnes & Noble will commit to investing Thirty Thousand Dollars (\$30,000) for fixtures and/or technology for the Bookstore. Barnes & Noble will depreciate this investment on a straight-line basis over the five (5) year Term of this Agreement. Should District cancel this Agreement before the end of that period, then District shall reimburse Barnes & Noble for any amount of the investment not yet depreciated.

Relevant Page
Barnes and Noble Contract
with the District

Exhibit I

*Pepsi Contract
for campus vending services*

*April 2015 - March 2020
Approved 4/8/2015*

h. Contractor shall provide currency and change to designated District staff, which shall be replenished regularly, to facilitate refunds in a prompt and orderly fashion.

2. Vending Machine Locations and Utilities. The quantity, selection and placement of Equipment shall be as mutually agreed upon. District agrees to allow Contractor to use existing utility service connections on the District's Valencia and Canyon Country campuses ("Premises") to operate the Equipment during the Term of this Agreement and District shall be responsible for payment of utility services. Current placement of machines is reflected on Exhibit D, which will be updated as machine locations change.

3. Vending Price. The services and vending price are based upon the Questionnaire Response (attached hereto as Exhibit A), Proposed Offerings (attached hereto as Exhibit B), Proposal (attached hereto as Exhibit C) and any additions or deductions as provided for in the RFP documents, all of which are incorporated herein and made a part hereto. Beverage prices will be established by Contractor with the District's approval and shall be firm for at least one (1) year after the commencement of this Agreement. All requests for price increases or decreases will be presented in writing to the District thirty (30) days prior to the desired date of implementation of such pricing change. Notwithstanding the foregoing, the minimum vend price for carbonated beverages will be \$1.75 per bottle and the minimum vend prices for all other products are listed in the Proposed Offerings.

4. Pricing for Bottle, Can and Fountain - Served by Retail Operations Contracted by the District. Beverage prices will be established by Contractor and shall be firm for at least one (1) year after the commencement of this Agreement. Initial Product pricing is set forth on Exhibit E to this Agreement and shall be valid for Year One. All requests for price changes will be notified in writing to the District and its Retail Contracted Operations thirty (30) days prior to the desired date of implementation of such pricing change. Contractor agrees that annual price increases will not exceed four percent (4%) in any Year.

5. Annual Sponsorship. In consideration of the exclusive Beverage rights granted to Contractor hereunder, Contractor shall advance an Annual Sponsorship of **Forty-Five Thousand Dollars (\$45,000) in years 1-3 of the Agreement and Fifty Thousand Dollars (\$50,000) in years 4-5 of the Agreement**, to be paid directly to the College of the Canyons Foundation, to be used at the discretion of the Chancellor. The first payment shall be paid within sixty (60) days of execution of this Agreement by both Parties and each subsequent payment shall be made on each anniversary date of the signing of this Agreement thereafter until the end of the Term of the Agreement, not to exceed five (5) consecutive payments, plus an additional five (5) payments if this Agreement is renewed by mutual written consent as set forth in Section 7 herein (the "Annual Sponsorship Fund"). If this Agreement is terminated pursuant to Section 9 herein, Contractor shall obtain, without prejudice to any other rights or remedies that may be available to Contractor, a reimbursement from the College of the Canyons Foundation for any unearned Annual Sponsorship payment made by Contractor to the College of the Canyons Foundation for the Agreement Year in which such termination occurs. The amount of such reimbursement shall be determined by multiplying the Annual Sponsorship payment made in the Agreement Year during which such termination occurs by a fraction, the numerator of which is the number of full months remaining in such Agreement Year at the time of Termination Date, and the denominator, which is the number twelve (12).

6. Commission Payments.

Contractor will provide District with Commissions, as a percentage of the actual cash ("**cash in bag**" or "**CIB**") collected by Contractor from the Vending Machines placed at the District campuses, plus actual amounts received by Contractor in connection with credit card or debit card sales (collectively with CIB, "**Revenue**"). Such Commission Due shall be calculated using the rate(s) set forth below (the "**Commission Rate**"), less applicable CRV. Commission Due shall be calculated as follows:

$$(\text{Revenue} * \text{Commission Rate}) - \text{applicable CRV} = \text{Commission Due}$$

Product	Minimum Vend Price	Commission Rate*
20 oz. Carbonated Soft Drinks	\$1.75	33%
All Other Currently Vended Products	Set forth in Proposed Offerings in Exhibit B	33%

a. Such revenues shall be reported per four-week accounting period established by Contractor by each Beverage vending machine and paid on a four-week period basis. Separate commission statements and checks shall be issued as follows: Valencia Campus and Canyon Country Campus. Commissions shall be paid within thirty (30)

** Contract was made with Pepsi Bottling and the District. The Foundation was not a party to the contract. Funds to be used at discretion of the Chancellor.*

Exhibit 2