

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE FRIENDS OF COLLEGE OF MICRONESIA-FSM, INC.
AND
THE COLLEGE OF MICRONESIA-FSM**

THIS MEMORANDUM OF UNDERSTANDING, entered into as of this 23rd day of November, 2015, by and between the College of Micronesia-FSM, located in Federated States of Micronesia, and the Friends of the College of Micronesia-FSM, Inc. (FCM-FSM), a District of Columbia nonprofit corporation;

W I T N E S S E T H

Whereas, the College of Micronesia-FSM (the "College") is an institution of higher education located in the Federated States of Micronesia; and

Whereas, the FCM-FSM exists for the purpose of stimulating voluntary private support to advance the College's purposes and mission as FCM-FSM's board of directors deems appropriate; and

Whereas, the FCM-FSM has been awarded tax exempt status as an organization described in the United States Internal Revenue Code ("IRC") §501(c)(3) that is not a private foundation by reason of IRC §509(a) and is thus a permissible recipient of contributions that are deductible on a United States donor's federal income tax return as charitable contributions;

NOW, THEREFORE, in consideration of the mutual commitments set forth here and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. ***FCM-FSM's Corporate Status.*** The FCM-FSM shall continue to exist as a District of Columbia nonprofit corporation. Appended hereto are FCM-FSM's articles of incorporation and bylaws. If FCM-FSM shall amend to or otherwise change in its articles of incorporation or bylaws, it shall give notice of such amendment or change to the College.

2. ***FCM-FSM's Activities.*** FCM-FSM shall pursue activities in furtherance of its purposes as set forth in article THREE of its Articles of Incorporation appended hereto as deemed necessary and appropriate by its Board of Directors. FCM-FSM's officers and directors shall regularly consult with College personnel as regards the needs and priorities of the College.

3. ***College Activities.*** The College exists as an institution of higher education located in the Federated States of Micronesia and shall pursue activities in furtherance of its purpose as set forth in its governing instruments. The College shall give notice to FCM-FSM of any material change in the College's purposes or in its governing instruments. College personnel shall make themselves available to regularly consult with FCM-FSM personnel on matters of mutual interest relating to the advancement of the College's programs, interests and mission.

4. **FCM-FSM Name, Seal and Logotype.** Consistent with its mission to help to advance the plans and objectives of the college, FCM-FSM is granted the right by the College to use of the name of the college, College of Micronesia - FSM; however, FCM-FSM will operate under its own seal and logotype and shall not use the college seal or other identifying marks in the promotion of its business and activities.

5. **Record Sharing.**


a. The FCM-FSM recognizes that by using the College's name, the College must reasonably exercise oversight of FCM-FSM's finances, including management of financial aid, grants, externally funded programs, and contractual relationships to satisfy its accrediting agencies. Accordingly, in exchange for being permitted to use the College's name, FCM-FSM will provide to the College access to its records relating to its income, expenditures, grants, programs and contractual relationships, as reasonably necessary, subject to applicable laws and FCM-FSM's policies, and guidelines. FCM-FSM will provide copies of its annual tax filing (Form 990), and such other information as may be publicly released. FCM-FSM will have its finances audited annually by an accounting professional and a copy of the audit report will be provided to the College.

b. The College will provide FCM-FSM access to its records as needed to facilitate the FCM-FSM's accomplishment of its purposes as set forth in its articles of incorporation, subject to applicable laws and the College's policies and guidelines.

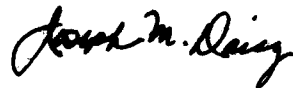
6. **Meetings.** To ensure effective pursuit of their mutual goals and their mutual commitments as set forth herein, the College and the FCM-FSM shall cause their officers and board representatives to hold periodic meetings to foster and maintain productive relationships and to ensure open and continuing communications about their separate and mutual priorities.

7. **Termination.** Either party may, upon forty-five (45) days prior written notice to the other, terminate this MOU. Notwithstanding the forgoing, either party may terminate this MOU in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized officers as of the day and date first above written.



President, FCM-FSM



President/CEO, College of Micronesia - FSM

Date: 11-23-2015

Date: 11/23/15