

OPERATING AGREEMENT
BETWEEN THE BOARD OF TRUSTEES
OF THE CALIFORNIA STATE UNIVERSITY
AND

ASSOCIATED STUDENTS, INC.,
CALIFORNIA POLYTECHNIC STATE UNIVERSITY
SAN LUIS OBISPO

This agreement is made and entered into between the Board of Trustees of the California State University (CSU) and the Associated Students, Inc. (ASI), an auxiliary serving California Polytechnic State University San Luis Obispo (Cal Poly or University). The term of this agreement shall be January 1, 2022 through December 31, 2031.

1. PURPOSE

The purpose of this agreement is to set forth the terms and conditions under which ASI shall operate as a CSU auxiliary organization pursuant to California Education Code §89900 et seq., §89300 et seq., CSU Executive Order 1059 (or superseding executive order), and California Code of Regulations (CCR) Title 5, § 42400 et seq. and §42500 et seq. (Attachment A). CSU auxiliary organizations are organized and operated solely for the benefit of the University. Campus auxiliary organizations shall not operate outside the regulation and oversight of the University. In entering this agreement, CSU finds that certain functions important to its mission are more effectively accomplished by the use of an auxiliary organization rather than by the Campus under the usual state procedures.

2. PRIMARY FUNCTIONS OF THE AUXILIARY

In consideration of receiving recognition as an official CSU auxiliary organization, ASI agrees, for the period covered by this agreement, that the primary functions, which the ASI will manage, operate, or administer, are Cal Poly's:

- Student Body Organization
- Student Body Organization Programs
- Student Union
- Student Union Programs
- Campus Services including operation and management of a Children's Center, support to recognized student organizations (Clubs)

ASI shall engage in these functions as authorized by CCR Title 5, §42500 (see Attachment A), which are activities essential and integral to the educational mission of the University. For functions listed above that involve the operation of a University facility, the attached lease agreements set forth a specific description of each facility being operated by ASI pursuant to this agreement.

ASI agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and Cal Poly. ASI further agrees that it shall not perform any of the functions listed in CCR Title 5, §42500 (Attachment A) unless the function has been specifically assigned in this operating agreement with Cal Poly. Prior to initiating any additional

functions or operations, ASI understands and agrees that CSU and ASI must amend this agreement in accordance with Section 18, Amendment.

3. CAMPUS, OVERSIGHT AND OPERATIONAL REVIEW

The responsibility and authority of Cal Poly's president regarding auxiliary organizations is set forth in CCR Title 5, §42402, which requires that auxiliary organizations operate in conformity with CSU and Cal Poly policies. Cal Poly's president has been delegated authority by the CSU Board of Trustees (Standing Orders §VI) to carry out all necessary functions for the operation of Cal Poly.

Cal Poly's chief financial officer is primarily responsible for administrative compliance and fiscal oversight of campus auxiliary organizations. ASI agrees to assist Cal Poly's chief financial officer in carrying out the compliance and operational reviews required by applicable CSU Executive Orders and related policies.

The operations and activities of ASI under this agreement shall be integrated with Cal Poly operations and policies. Cal Poly's president has delegated authority to the vice president for student affairs to assist with oversight of operations and activities of ASI so as to assure compliance with requirements stated in CCR Title 5 §42401 et seq. ASI agrees to participate in partnership and collaboration with the vice president for student affairs for the evaluation, and hiring of the executive director of ASI, in order to fulfill the mission of ASI as an auxiliary of the University. Executive Director salary will be determined by external consultation in partnership with ASI Officers and approved by vice president for student affairs and vice president of administration and finance.

Cal Poly shall review and ensure this agreement, and all related lease agreements, are current and that the activities of ASI are in compliance with this agreement at least every five (5) years from the date this agreement is executed and at least every five years thereafter. Confirmation that this review has been conducted will consist of either an updated operating agreement, or a letter from Cal Poly's chief financial officer to Cal Poly's president with a copy to the Chancellor's Office, certifying that the review has been conducted. As part of these periodic reviews, Cal Poly's president should examine the need for each auxiliary and look at the efficiency of the auxiliary operation and administration.

4. OPERATIONAL AND ADMINISTRATIVE COMPLIANCE

ASI agrees to maintain and operate its organization in accordance with all applicable laws, regulations and University executive orders, rules, regulations and policies. ASI's failure to comply with any term of this agreement may result in its removal, suspension or probation as an auxiliary organization in good standing. Such action by CSU or Cal Poly may result in the limitation or removal of ASI's right to utilize the CSU or Cal Poly name, resources and facilities (CCR Title 5, §42406).

5. CONFLICT OF INTEREST

No officer or employee of the CSU or Cal Poly shall be appointed or employed by ASI if such appointment or employment would be incompatible, inconsistent or in conflict with his or her duties as a CSU/Cal Poly officer or employee.

ASI has established and will maintain a conflict of interest policy. The Auxiliary's Conflict of Interest Policy is attached as Attachment B.

6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS

With respect to expenditures for public relations or other purposes which would serve to augment appropriations for CSU operations, ASI may expend funds in such amount and for such purposes as are approved by ASI governing body. ASI shall file, as Attachment C to this agreement, a statement of ASI's policy on accumulation and use of public relations funds. The statement shall include the policy and procedures for solicitation of funds, the purposes for which the funds may be used, the allowable expenditures and procedures of control.

7. FISCAL AUDITS

ASI agrees to comply with CSU policy and the provisions of CCR Title 5, §42408 (Attachment A), regarding fiscal audits. All fiscal audits shall be conducted by auditors meeting the guidelines established in the Integrated CSU Administrative Manual (ICSUAM).

Cal Poly's chief financial officer (CFO) shall annually review, and submit a written evaluation to the CSIJ Chancellor's Office in accordance with Section 17, Notices, of the external audit firm selected by the ASI. This review must be conducted prior to ASI engaging an external audit firm and annually thereafter. If ASI has not changed audit firms, and the audit firm was previously reviewed and received a satisfactory evaluation, a more limited review may be conducted and submitted.

8. USE OF CAL POLY NAME, BRAND, LOGO, SEAL, MARKS AND COLORS

Cal Poly agrees that ASI may, in connection with its designated functions as a CSU auxiliary organization in good standing and this agreement, use Cal Poly's name, brand, logo, seal, marks, colors or other symbols of Cal Poly, provided that ASI clearly communicates that it is conducting business in its own name for the benefit of Cal Poly. All correspondence, advertisements, and other communications by ASI must clearly indicate that the communication is by and from ASI, for the benefit of Cal Poly and not by or from CSU or Cal Poly.

ASI shall use Cal Poly's name, brand, logo, seal, marks, colors or other symbols of Cal Poly only in connection with services rendered for the benefit of Cal Poly and in accordance with Cal Poly guidance and direction furnished to ASI by Cal Poly, and only if the nature and quality of the services with which the Cal Poly name, brand, logo, seal, marks, colors or other symbols used are satisfactory to Cal Poly or as specified by Cal Poly brand standards.

All Cal Poly official names, brands, logos, seals, marks, colors or other symbols used by ASI on any communications, publications, fixtures, buildings, facilities, programs, or otherwise, shall be reviewed and approved by Cal Poly prior to use by ASI, which approval will not be unreasonably withheld. Cal Poly shall exercise control over and shall be the sole judge of whether ASI has met or is meeting the standards of quality of Cal Poly for use of Cal Poly's names, brands, logo, seals, marks, colors or other symbols, for the benefit of Cal Poly. Cal Poly reserves the right to disapprove any names, brands, logos, seals, marks, colors or other symbols that do not meet Cal Poly standards.

ASI shall not delegate the authority to use the Cal Poly name, brand, logo, seal, mark, colors or other symbols to any person or entity without the prior written approval of the Cal Poly president or designee. ASI shall cease using the Cal Poly name, brand, logo, seal, mark, colors or other symbols upon expiration or termination of this agreement, or if ASI ceases to be a CSU auxiliary organization in good standing or dissolves.

9. CHANGE OR MODIFICATION OF CORPORATE STATUS

ASI shall provide notice to the CSU and Cal Poly upon any change in ASI's legal, operational or tax status including but not limited to changes in its Articles of Incorporation, bylaws, tax status, bankruptcy, dissolution, merger, or change in name.

10. FAIR EMPLOYMENT PRACTICES

In the performance of this agreement, and in accordance with California Government Code § 12900 et. seq., ASI shall not deny employment opportunities to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status. ASI shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by the CSU and Cal Poly.

11. BACKGROUND CHECK POLICY COMPLIANCE

In compliance with governing laws and CSU policy, Auxiliary shall confirm that background checks are completed for all new hires and for those independent contractors, consultants, outside entities, volunteers and existing employees in positions requiring background checks as set forth in CSU system wide policy. Auxiliary will provide confirmation of completed and cleared background checks to the University President/Chancellor upon request, or as established by campus policy. (See HR 2016-08).

12. DISPOSITION OF ASSETS

Attached hereto as Attachment D is a copy of ASI's Constitution or Articles of Incorporation (as applicable) which establishes that upon dissolution of ASI, the net assets other than trust funds shall be distributed to a successor approved by Cal Poly's president and by the CSU, in accord with, CCR Title 5, §42600. ASI agrees to maintain this provision as part of its Constitution or Articles of Incorporation. In the event ASI should change this provision to make other dispositions possible, this agreement shall terminate as of the date immediately preceding the date such change becomes effective.

13. USE OF CAMPUS FACILITIES

ASI may use and operate those facilities identified for its use and operation in a separate lease agreement executed between Cal Poly and ASI (Attachment E). If this Operating Agreement terminates or expires and is not renewed within 30 days of the expiration, the lease agreement automatically terminates, unless extended in writing by the parties.

Cal Poly and ASI may agree that ASI may use specified Campus facilities and resources for research projects and for institutes, workshops, and conferences only when such use does not interfere with Cal Poly's instructional programs and upon the written approval from appropriate Cal Poly administrators with such specific delegated authority. ASI shall reimburse Cal Poly for costs of any such use.

14. CONTRACTS FOR CAMPUS SERVICES

Auxiliary may contract with Campus for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented in a written memorandum of understanding between

Auxiliary and Campus. The memorandum of understanding shall among other things, specify the following: (a) full reimbursement to Campus for services performed by a state employee in accord with CCR tit.5, §42502(f); (b) Auxiliary must clearly identify the specific services to be provided by state employee, (c) Auxiliary must specify any performance measures used by Auxiliary to measure or evaluate the level of service; (d) Auxiliary must explicitly acknowledge that Auxiliary does not retain the right to hire, supervise or otherwise determine how to fulfill the obligations of the Campus to provide the specified services to Auxiliary.

15. DISPOSITION OF NET EARNINGS

ASI agrees to comply with CSU and Cal Poly policy on expenditure of funds including, but not limited to, CSU guidelines for the disposition of revenues in excess of expenses and CSU policies on maintaining appropriate reserves. Cal. Educ. Code §89904; CSU Executive Order 1059 (or superseding executive order).

16. FINANCIAL CONTROLS

Recovery of allowable and allocable indirect costs and maintenance and payment of operating expenses must comply with ICSUAM §13680. CCR tit. 5, §42502(g) and (h).

17. ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS

As an auxiliary of the university, fundraising on behalf of ASI programs and services shall be managed by the Vice President for Student Affairs in partnership with University Development and the Cal Poly Foundation. All gift agreements in support of ASI programs and services shall be executed by the Vice President for Student Affairs in partnership with University Development and the Cal Poly Foundation.

18. INDEMNIFICATION

ASI agrees to indemnify, defend and save harmless the CSU, Cal Poly, its officers, agents, employees and constituent campuses and the State of California, collectively "CSU indemnified parties" from any and all loss, damage, or liability that may be suffered or incurred by CSU indemnified parties, caused by, arising out of, or in any way connected with the operation of ASI as an auxiliary organization.

19. INSURANCE

ASI shall maintain insurance protecting the CSU and Cal Poly as provided in this section. CSU's Systemwide Office of Risk Management shall establish minimum insurance requirements for auxiliaries, based on the insurance requirements in Technical Letter RM 2012-01 or its successor then in effect. ASI agrees to maintain at least these minimum insurance requirements.

ASI's participation in a coverage program of the California State University Risk Management Authority (CSURMA) shall fully comply with the insurance requirement for each type of required coverage (which may include but not be limited to, general liability, auto liability, directors and officers liability, fiduciary liability, professional liability, employer's liability, pollution liability, workers' compensation, fidelity, property and any other coverage necessary based on ASI's operations). ASI shall ensure that CSU and Campus are named as additional insured or loss payee as its interests may appear.

20. NOTICES

All notices 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 deposited in the United States mail, certified and postage prepaid and addressed to all parties as provided below.

Notice to Auxiliary shall be addressed as follows:

Associated Students, Inc.
California Polytechnic State University, San Luis Obispo
1 Grand Avenue
Building 65
San Luis Obispo, California 93407
Attention: Executive Director

Notice to the CSU shall be addressed to:

Board of Trustees of the California State University
401 Golden Shore
Long Beach, California 90802
Attention: Director, Contract Services & Procurement

Notice to the Cal Poly shall be addressed as follows:

California Polytechnic State University, San Luis Obispo 1 Grand
Avenue
San Luis Obispo, California 93407
Attention: Vice President of Administration and Finance and Vice President of Student Affairs

21. AMENDMENT

This agreement may be amended only in writing signed by an authorized representative of all parties.

22. RECORDS

ASI shall maintain adequate records and shall submit periodic reports as required by CSU and/or Cal Poly showing the operation and financial status of ASI. The records and reports shall cover all activities of ASI whether pursuant to this agreement or otherwise.

ASI and all CSU auxiliaries are bound by the Richard McKee Transparency Act of 2011 (Cal. Educ. Code § 89913 et seq.). Records maintained by an auxiliary organization shall be available to the public to inspect or copy at all times during the office hours of the auxiliary organization. The records subject to inspection and copying shall include any identifiable writing containing information relating to the conduct of the auxiliary organization that is prepared, owned, used, or retained by an auxiliary organization. Any reasonably segregable portion of a record shall be promptly available for inspection and copying after redacting those portions exempt from disclosure by law. (See Cal. Educ. Code § 89913 et seq. for all requirements related to disclosure of auxiliary records).

23. MEETINGS

Pursuant to California Education Code § 89300 et seq., and the Gloria Romero Open Meetings Act of 2000, the governing board or legislative body, or any sub-board or sub-legislative body, of ASI as an auxiliary operating as a student body organization shall conduct its business in public meetings. All such meetings shall be open and public, and all persons shall be permitted to attend any meeting of the ASI, except as provided in Cal Educ. Code § 89300 et seq.

24. TERMINATION

CSU and/or Cal Poly may terminate this agreement upon ASI's breach of or failure to comply with any term of this agreement by providing ASI with a minimum of ninety (90) days advance written notice. ASI may use the ninety-day advance notice period to cure the breach. If, in the judgment of CSU and Cal Poly, the breach has been cured, the termination notice will be cancelled.

25. REMEDIES UPON TERMINATION

Termination by CSU and/or Cal Poly of this agreement pursuant to Section 21, Termination, may result in ASI's removal, suspension or probation of a CSU auxiliary in good standing, and loss of any right for ASI to use the name, resources or facilities of CSU, Cal Poly, or any of its campuses. Upon expiration of the term of this agreement, the parties shall have 30 days to enter into a new operating agreement which period may be extended by written mutual agreement.

26. SEVERABILITY

If any section or provision of this agreement is held illegal, unenforceable or in conflict with any law by a court of competent jurisdiction, such section or provision shall be deemed severed and the validity of the remainder of this agreement shall not be affected thereby.

27. MISCELLANEOUS

This agreement represents the full and complete agreement and understanding between the parties with respect to the matters stated herein. Any agreement or promises alleged to have been made which are not reflected in the written terms of this agreement are and shall be superseded by the terms of this agreement and shall have no effect. This agreement shall be interpreted under the laws of the State of California. The parties shall each bear their own costs, expenses and attorney's fees. The agreement may be executed in counterparts.

By signing below, the parties witness their agreement to all the terms and conditions of this agreement.

ASSOCIATED STUDENTS, INC
CALIFORNIA POLYTECHNIC STATE UNIVERSITY SAN LUIS OBISPO

Michelle Crawford

By Michelle Crawford
ASI Interim Executive Director

10/22/2021

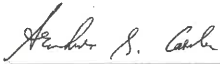
Date

By Tess Loarie, ASI President

10/22/2021

Date

BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY



By Arun Casuba
Executive Director Strategic Sourcing
& Chief Procurement Officer
CSU Office of the Chancellor

11/02/2021

Date

BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY



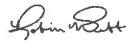
By Jeffrey D. Armstrong
President California Polytechnic
State University San Luis Obispo

11/02/2021

Date

BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

Approved as to content:



By Robin Webb
University Counsel

11/10/2021

Date

References

CCR Title 5 – 42500 Functions of Auxiliary Organizations
California Education Code §89900
California Education Code §89913
California Education Code §89300
California Education Code §89904
California Government Code §12900
CSU Executive Order 1059
California Education Code §66010
§ 42408 Fiscal Audits
§ 42600 Organization
§ 42400 Definition
§ 42406 Representation at a CCS Fair Hearing
§ 42402 Authority of Campus President
§ 42401 Declaration of Policy

Attachment A
California Code of Regulations – Title 5

§ 42400. Definition.

5 CA ADC § 42400 BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

Barclays Official California Code of Regulations

Title 5. Education

Division 5. Board of Trustees of the California State Universities

Chapter 1. California State University

Subchapter 6. Auxiliary Organizations

Article 1. General

5 CCR § 42400

§ 42400. Definition.

As used in this Subchapter 6, a campus auxiliary organization, hereinafter called an “auxiliary” organization, is an organization which is (a) included in the list of auxiliary organizations in good standing maintained by the Chancellor pursuant to Section 42406, *infra*, and/or (b) which is an organization specified in Education Code Section 89900, which is any organization using the name of the State or a campus, or representing an official relationship with a campus, or in which any campus official participates as a director as part of his official position. The term, “auxiliary organization” as used herein, includes student body organizations and other student groups which are subject to the provisions of Education Code Section 89900; provided, that other than student body organizations, all student clubs, societies, sororities, fraternities and similar student groups not operating any commercial activity at the campus, are not subject to the further provisions of this Article, and may represent an official relationship to the campus and may use its facilities, subject to such policies and conditions as the Board of Trustees and the campus president may from time to time establish.

Note: Authority cited for Subchapter 5: Sections 66600, 66606, 89030, 89300, 89301, 89302 and 89900, Education Code.

HISTORY

1. Amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
3. Amendment of section and NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).

This database is current through 5/19/17 Register 2017, No. 20

5 CCR § 42400, 5 CA ADC § 42400

§ 42500. Functions of Auxiliary Organizations.

5 CA ADC § 42500 BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

Barclays Official California Code of Regulations

Title 5. Education

Division 5. Board of Trustees of the California State Universities

Chapter 1. California State University

Subchapter 6. Auxiliary Organizations

Article 2. Functions of Auxiliary Organizations and Requirement for Written Agreements

5 CCR § 42500

§ 42500. Functions of Auxiliary Organizations.

Auxiliary organizations are formed to provide essential functions which are an integral part of the educational mission of a campus and the California State University.

(a) The following functions have been determined by the Board to be appropriate for auxiliary organizations to perform in accordance with applicable policies, rules, and regulations:

- (1) Student Body Organization Programs;
- (2) Bookstores, Food Services, and Campus Services;
- (3) Housing;
- (4) Student Union Programs;
- (5) Supplementary Health Services;
- (6) Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance;
- (7) Externally Funded Projects Including Research, Workshops, Conferences, and Institutes;
- (8) Instructionally-related Programs, and activities, including Agriculture, Athletics, Radio and Television Stations, Newspapers, Films, Transportation, Printing and other Instructionally Related Programs and Activities;
- (9) Alumni Programs;
- (10) Gifts, bequests, devises, endowments, trusts and similar funds;
- (11) Public relations, fundraising, fund management, and similar development programs;
- (12) Acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities.

(b) Gifts, grants, or other donations received by an auxiliary organization shall be accepted, maintained, and used in accordance with policies, rules, and regulations of the Board of Trustees.

(c) Auxiliary organizations may issue debt instruments to finance or refinance projects in connection with their mission upon prior approval of the campus president and pursuant to policies of the Board of Trustees as may be implemented by the Chancellor. For purposes of this section, "debt instruments" means loans, notes, bonds, finance leases, installment purchase or sale agreements, and certificates of participation.

(d) Student loans, scholarships, stipends and grants-in-aid shall only be given to currently admitted students. 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 body 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, except as provided under section 42403, subdivision (b).

(e) An auxiliary organization shall not engage in a function not listed in subdivision (a) of this section unless an appropriate amendment is made to subdivision (a) by the Board of Trustees, adding said function to the list of approved functions of auxiliary organizations, or unless such function is essential to satisfy the corporation laws of the State of California.

Note: Authority cited: Sections 89030 and 89900, Education Code. Reference: Section 89900, Education Code.

HISTORY

1. Amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
3. Amendment filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
4. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).
5. Amendment of subsection (a) filed 7-13-89; operative 8-12-89 (Register 89, No. 28).
6. Editorial correction of incorrect 4-1-90 printing (Register 90, No. 45).
7. Editorial correction of subsection (d) (Register 95, No. 47).
8. Amendment of section heading and subsections (a)(10), (a)(12), (d) and (e) and amendment of Note filed 12-2-98; operative 12-2-98. Submitted to OAL for printing only pursuant to Education Code section 89030.1 (Register 99, No. 5).
9. Amendment of subsection (c) filed 3-14-2000; operative 3-14-2000. Submitted to OAL for printing only (Register 2000, No. 11).

This database is current through 5/19/17 Register 2017, No. 20

5 CCR § 42500, 5 CA ADC § 42500

§ 42408. Fiscal Audits.

5 CA ADC § 42408 BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

Barclays Official California Code of Regulations

Title 5. Education

Division 5. Board of Trustees of the California State Universities

Chapter 1. California State University

Subchapter 6. Auxiliary Organizations

Article 1. General

5 CCR § 42408

§ 42408. Fiscal Audits.

(a) Each auxiliary organization shall have an annual fiscal audit performed by a certified public accountant selected by the auxiliary organization. When completed, the audit shall be furnished to the Chancellor or designee on the date or dates designated by the Chancellor or designee.

(b) The annual fiscal audits shall be performed in accordance with standard systemwide procedures prescribed by the Chancellor.

(c) Each auxiliary organization, in order to disseminate as widely as feasible the audited financial statements, shall:

(1) Publish the audited financial statements in a campus newspaper; or

(2) Publish a notice in a campus newspaper indicating the on-campus location where copies of the audited financial statements may be obtained or reviewed; or

(3) Publish or notice the audited statements in accordance with subdivision (1) or (2) in a campus bulletin or other appropriate medium if a campus newspaper is unavailable.

Note: Authority cited: Sections 89030 and 89900, Education Code. Reference: Sections 89900 and 89904, Education Code.

HISTORY

1. New section filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

2. Amendment of subsections (a) and (b) and Note filed 12-2-98; operative 12-2-98. Submitted to OAL for printing only pursuant to Education Code section 89030.1 (Register 99, No. 5).

This database is current through 5/19/17 Register 2017, No. 20

5 CCR § 42408, 5 CA ADC § 42408

Attachment B
ASI Conflict of interest Policy

Excerpt from ASI Policy Manual

Conflict of Interest

NEW/REVISED POLICY: Revised April 15, 2009

APPROVED BY BOARD:

Effective Date: February 25, 1998

BACKGROUND AND PURPOSE

Sections 89006 of the California Education Code prescribe specific financial interest standards for auxiliary organization employees, governing board members and Officers.

POLICY - GOVERNING BOARD

Except as otherwise provided by law, the following shall govern financial transactions between the Corporation and its Officers or Directors.

Prohibited Transactions: The Corporation shall not enter into any contract or transaction in which one or more of its Directors or Officers has a financial interest under the following circumstances:

- The contract or transaction is between the Corporation and a Director or Officer.
- The contract or transaction is between the Corporation and a partnership or unincorporated association of which any Director or Officer is a partner or in which any Director or Officer is the owner or holder, directly or indirectly, of a proprietorship interest.
- The contract or transaction is between the Corporation and a corporation in which any Director or Officer is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.
- The Director or Officer who has a financial interest in a contract or transaction influences or attempts to influence another Director or Officer to enter into the contract or transaction without first disclosing the nature of such financial interest at a public meeting of the Board of Directors.

Permissible Transactions: In any circumstance other than those set forth above, the Corporation may enter into any contract or other transaction in which one or more of its Directors or Officers has a financial interest, if and only if:

- The fact of such financial interest is disclosed and known to the Board of Directors, noted in the Minutes of a Board of Directors meeting, and the Board of Directors thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a two-thirds vote of financially disinterested Directors then in office.
- The Contract or transaction is just and reasonable as to the Corporation at the time it is authorized or approved by the ASI Board of Directors.

Loans to Directors: The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or Officer, unless the transaction is first approved by the California Attorney General. This provision shall not apply to any reasonable advance on account of expenses anticipated to be incurred by the Director or Officer in the performance of his/her duties.

Conflict of Interest Statement: At the commencement of the term of office, each member of the Board of Directors, including ex-officio members and Officers, shall read and sign a Conflict of Interest Statement to be held in a file by the Chair of the University Union Advisory Board (UUAB)/Corporate Secretary. (Standing, Ad Hoc and Subcommittee members are not required to sign Conflict of Interest Statements.)

Non-Financial Conflicts: Directors and Officers shall not discuss or take action on any corporate matter which would be to the personal benefit or detriment of a Director or Officer. Directors and Officers shall immediately disclose any such matter to the Board of Directors and disqualify themselves from any participation in that matter.

POLICY – ASI STUDENT GOVERNMENT MEMBER AS STUDENT EMPLOYEE

It is a conflict of interest for ASI to employ members of ASI Student Government and require those individuals to have the responsibility of governing and making decisions regarding the organization by which they are employed. Because of this conflict, it is necessary to separate the roles by not allowing a student to simultaneously hold a position in ASI Student Government and be employed by ASI.

POLICY - EMPLOYEES

ASI contracts with outside suppliers for substantial amounts of products and services each year. ASI's members trust ASI employees to function with the utmost care and integrity in spending ASI funds and in obtaining the best value. Accordingly, ASI has established specific procurement procedures which must be followed.

Procurement should not be influenced by personal relationships or by the prospect of personal advantage to any ASI employee. Employees should never be involved in any transaction in which they hold a personal interest. For example, there should be no involvement in the selection of or payment to a supplier in which the employee has an investment or with whom they have a significant personal relationship.

ASI cannot permit the impartial judgment of its employees to be compromised through the receipt of entertainment, gifts, gratuities or other courtesies (collectively "gratuities") from present or prospective suppliers. Employees may not accept anything as a result of, or in anticipation of, any transaction with a present or prospective supplier. It is important that employees decline any gratuities which would cause even the slightest question of improper influence. The receipt of cash gratuities is absolutely prohibited.

ASI does recognize that situations may arise when it would be appropriate for an employee to accept the benefit of another's expenditure. These should be accepted only to the extent appropriate in the observance of reasonable customs in the market place. Generally, an employee may accept such things as are ordinary and customary, are reasonable in the context and are not lavish. Examples of things generally permissible are key chains, ball point pens or address books, etc., with the company's name imprinted, reasonable payment of meals in connection with business meetings, or gifts clearly based on family or personal relationships rather than business relationships. Also acceptable would be gifts from suppliers that are related to commonly recognized events or occasions, such as a wedding, retirement, or holidays, provided the gift is appropriate in observance of reasonable customs in the market place and the value of the gift does not exceed one hundred dollars.

Generally, ASI employees should not accept any entertainment, gift, gratuity or courtesy from a present or prospective supplier if the nature of the relationship between the supplier and ASI and the responsibility of the employee is such that the receipt of the gratuity, gift, etc., could reasonably be perceived as influencing the employee's judgment in dealing with the supplier. Examples of things that would generally be impermissible include, but are not limited to, any offer of cash, personal loans, payment for personal travel or vacations, forgiveness of a personal debt, jewelry, tickets to professional sporting events, or lavish meals.

When in doubt, employees should not accept entertainment, gifts, gratuities or other courtesies from vendors. Employees should immediately discuss any questions or concerns regarding the application of this policy to any specific situation with the Executive Director.

Attachment C
ASI Public Relations, Communications and Marketing Policy

Excerpt from ASI Policy Manual

Public Relations, Communications, and Marketing

NEW/REVISED: Revised April 3, 2019

Effective Date: February 25, 1998

BACKGROUND AND PURPOSE

The Integrated California State University Administrative Manual (*ICSUAM*), *Section 13000, CSU Auxiliary Organizations Compliance Guide*, 10.3 states that auxiliary organizations shall maintain a policy on the use of funds spent for public relations. The policy is to include:

- Purpose for which the funds will be used
- Allowable expenditures
- Procedures of control

An organization's public relations program is the sum of all impressions created by the organization itself and by the people with whom it is associated.

POLICY

All communications, marketing, media engagement, branding, social media, photography or videography, sponsorships, use of corporate stationary, signage, and email, shall adhere to current organization procedures.

All media communications between ASI and on- or off-campus media representatives should be channeled through ASI Public Relations, Communications, and Marketing. All plans for solicitation of advertising for publications, programs, giveaways, public address systems, and other media sponsored by or presented by student organizations operating within the general framework of the Associated Students, Inc., will be reviewed first by the ASI Coordinator – Public Relations, Communications, and Marketing, or the ASI Executive Director or designee. When appropriate, consultation with the Cal Poly Student Affairs or Public Affairs office will be sought.

The ASI Executive Director or designee is responsible for contract arrangements for all sponsored radio and/or television broadcasts, and any other media outlets regarding special events held under the auspices of ASI.

Global sponsorship coordination and solicitation is the responsibility of the Public Relations, Communications, and Marketing department. All plans for solicitation of sponsorships shall be approved by the ASI Executive Director or designee.

ASI follows established organization editorial guidelines, formats, and conventions created in alignment with Cal Poly University Marketing Editorial Guides and/or the AP stylebook.

The University President is required to keep a current file of this policy on file in Auxiliary and Business Services in the Office of the Chancellor.

A0737080

468392

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATIONFILED ccop
Secretary of State
State of California

DEC 07 2012

The undersigned certify that:

1. They are the Chair of the Board and the Secretary, respectively, of Associated Students, Incorporated of California Polytechnic State University at San Luis Obispo, a California nonprofit corporation.
2. Article VII of the Articles of Incorporation of this Corporation is amended to read as follows:

Upon the winding up and dissolution of the Corporation after paying or adequately providing for the debts, obligations, and liabilities of the Corporation, all net assets, other than trust funds, shall be distributed to a successor approved by the President of California Polytechnic State University at San Luis Obispo, and by the Chancellor of the California State University. Such successor shall have tax-exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law) and under Section 23701d of the California Revenue and Taxation Code, or the corresponding section of any future California revenue and tax law.

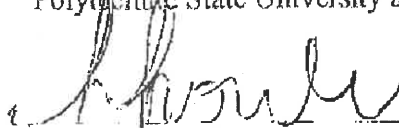
3. The foregoing amendment of Articles of Incorporation has been duly approved by the Board of Directors.
4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the members pursuant to student referendum held on November 26, 2012.

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 of our own knowledge.

DATE: 11/30/12



Kaitlin Harr, Chair
Associated Students, Incorporated of California
Polytechnic State University at San Luis Obispo



Haley Houle, Secretary
Associated Students, Incorporated of California
Polytechnic State University at San Luis Obispo

ENDORSED
FILED
in the office of the Secretary of State
of the State of California

AUG 22 1988

CERTIFICATE OF AMENDMENT

MARCH FONG EU, Secretary of State

TO

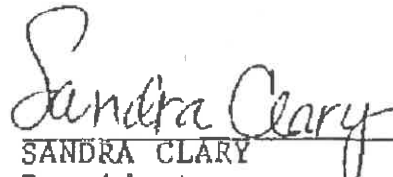
ARTICLES OF INCORPORATION

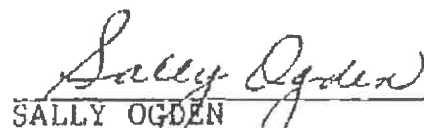
SANDRA CLARY and SALLY OGDEN certify that:

1. They are the President and Secretary, respectively, of Associated Students, Inc. of California Polytechnic State University at San Luis Obispo.
2. The articles of incorporation of this corporation are amended and restated to read as set forth in Exhibit 1 attached hereto and incorporated herein by reference.
3. The foregoing amendment of articles of incorporation has been duly approved by the Student Senate (governing board) by the required vote of the members.

The undersigned declare under penalty of perjury that the matters set forth in the foregoing certificate are true of their own knowledge.

Executed at San Luis Obispo, California, on 11/1/82,
1982.


SANDRA CLARY
President


SALLY OGDEN
Secretary

RESTATED AND AMENDED ARTICLES OF INCORPORATION
OF
ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA POLYTECHNIC STATE UNIVERSITY AT SAN LUIS OBISPO

ARTICLE I

The name of this corporation is the "Associated Students, Incorporated of California Polytechnic State University at San Luis Obispo."

ARTICLE II

(a) This corporation is a non-profit 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 purposes.

(b) The specific purposes for which this corporation is formed are as follows:

- (1) To conduct and sponsor the activities in accordance with California Education Code, Section 89300 et seq for the convenience of the students, faculty and staff and as a part of the education program of the California Polytechnic State University, such campus publications, musical organizations, speech and dramatics, student government affairs, intramural and intercollegiate sports, clubs

EXHIBIT 1

and organizations designated for students specializing in various major subject matter areas offered by the said University; athletics, sports, concerts and contests; student-organized open house and orientation programs;

- (2) Generally to provide extra-curricular activities for the convenience of the students, faculty and staff, as a part of the educational program of the University;
- (3) To enter into and perform contracts and agreements; to purchase or otherwise acquire, hold, lease, encumber, sell, assign, transfer, mortgage, pledge, hypothecate, exchange or otherwise dispose of any securities, evidence of debt or other property, real or personal, in the same manner and to the same extent as a natural person might or could do;
- (4) To take gifts of both real and personal property; to sue and defend; to borrow money and give promissory notes or bonds therefore and secure payment thereof by mortgage or deed of trust; to loan money upon or without security;
- (5) To receive bequests and devises by will or upon trusts to the same extent as a natural person; and
- (6) To perform to the same extent as a natural person could all other acts, within or without the State of California, that may be necessary or convenient in the conduct of its business to accomplish the purposes of said corporation.

The foregoing provisions shall be construed as both purposes and powers, but no recitation, expression or declaration of specific or special powers or purposes herein enumerated shall be deemed to be exclusive; and it is hereby expressly declared that all other lawful powers not inconsistent herewith are hereby included.

ARTICLE III

(a) This corporation is organized and operated exclusively for educational and scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (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(c)(2) of the Internal Revenue Code.

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

ARTICLE IV

(a) The property of this corporation is irrevocably dedicated to educational and scientific purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

ARTICLE V

The principal office for the transaction of the business of the corporation will be located in the County of San Luis Obispo, State of California.

ARTICLE VI

The term for which said corporation is to exist is perpetual.

ARTICLE VII

Upon dissolution of this corporation, net assets other than trust funds shall be distributed to one or more successor corporations organized and operated for the benefit of the California Polytechnic State University or the students and faculty at that University; such corporation or corporations to be approved by the President of the University and by the Board of Trustees. Such successor corporation or corporations must be tax exempt under either section 115 or 501(c)(3) of the United States Internal Revenue Code of 1954.

If, upon dissolution, this corporation holds any assets in trust, such assets shall be disposed of as decreed by the Superior Court of San Luis Obispo County, following a petition for a decree filed by the Attorney General or by any person concerned in the liquidation. In no event shall any assets be distributed to any member, director or officer of this corporation.

ARTICLE VIII

This corporation elects to be governed by all the provisions of the Nonprofit Public Benefit Corporation Law, effective January 1, 1980, including any amendments subsequent thereto, not otherwise applicable to it under Part 5 thereof.

**RECREATION CENTER LEASE AGREEMENT
BETWEEN
CALIFORNIA POLYTECHNIC STATE UNIVERSITY,
SAN LUIS OBISPO
AND
ASSOCIATED STUDENTS INCORPORATED**

**FIRST ADDENDUM
OPTION TO EXTEND**

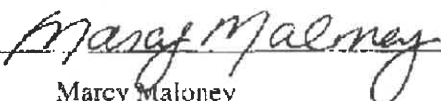
This addendum to the above referenced lease agreement ("Lease" or "Agreement") is made and entered into by and between California Polytechnic State University ("University") and Associated Students Incorporated ("ASI") acting in its capacity as an authorized auxiliary organization in good standing. University enters into this Lease under authority of Section 89046 of the Education Code, Section 42601 of Title 5, California Code of Regulations, and CSU Trustees Executive Order 669.

Term of Lease

Pursuant to Section 3 of the Recreation Center Lease Agreement entered into on or about December 21, 2011, the parties hereby agree the lease term shall be extended for an additional five (5) years through December 21, 2021.

This addendum is accepted and executed by the duly authorized representatives of the parties.

Associated Students Incorporated

By  Signed on 4/20, 2017
Marcy Maloney
Executive Director

California Polytechnic State University

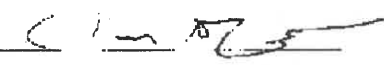
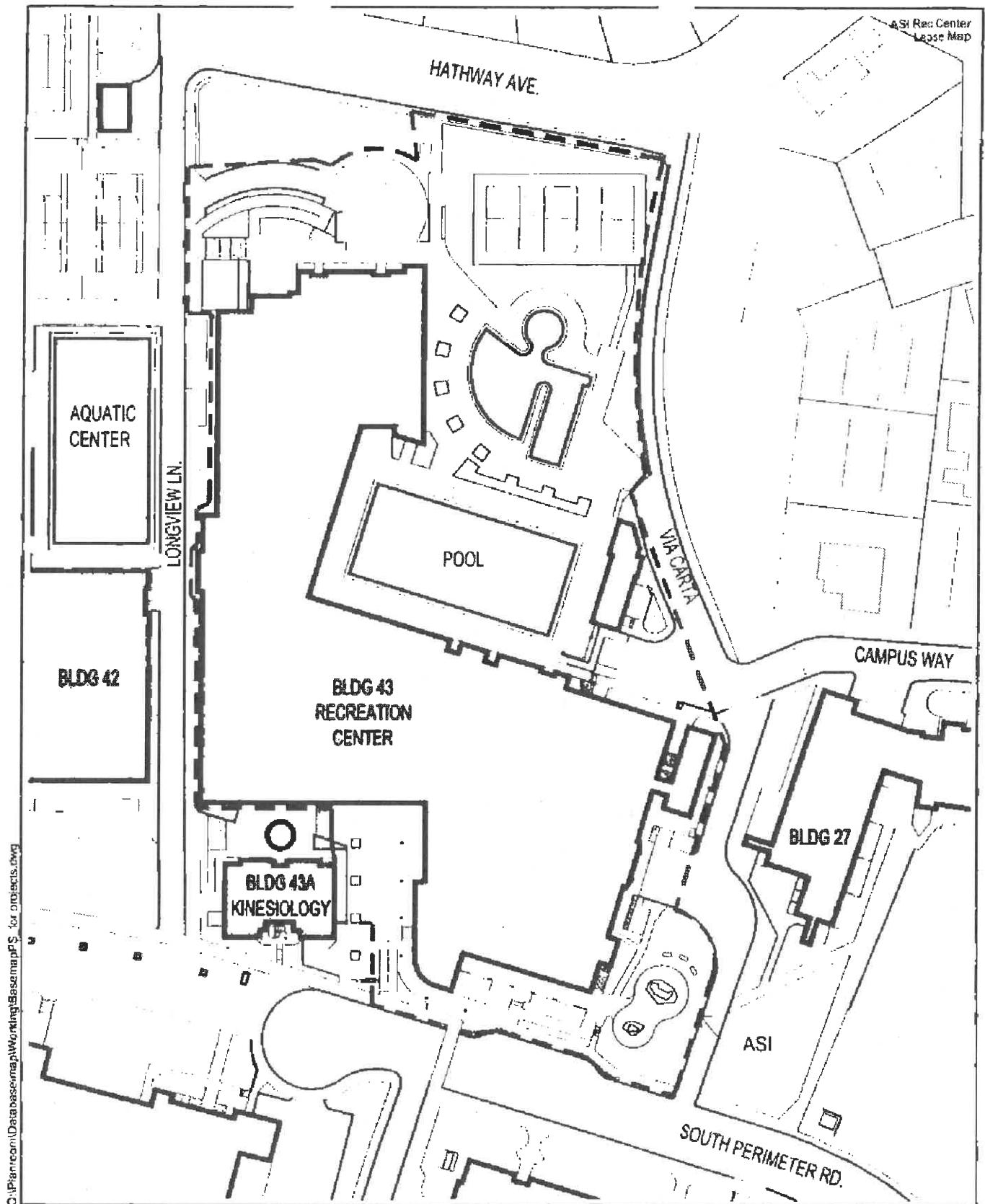
By  Signed on 4/5, 2017
Dru Zachmeyer, Assistant Vice President
Strategic Business Services

Exhibit "A" Map of Leased Area



C:\P:\arcmap\workspace\map\Working\Bases\map\PS for projects.dwg

CAL POLY

**ASI Recreation Center
Lease Map**

SAN LUIS OBISPO

Facilities Planning and Construction

3.30.2017	PS
ASI Rec	PS TAB
Peter F Weber	PL01.DWG

1"=100'

Exhibit "B"
Insurance Requirements

INSURANCE REQUIREMENTS

The Lessee will maintain all necessary insurance as required herein. The Lessee shall provide a Certificate of Insurance with appropriate endorsements indicating that the required coverage is in effect on an annual basis, or for the duration of the Lease. Lessee agrees to provide, or cause their insurance carrier to provide, at least 30 days written notice prior to cancellation or modification (10 days advance written notice for non-payment) of such liability insurance. In the event the insurance coverage expires at any time or times during the term of the Lease, Lessee agrees to provide at least 15 days prior to said expiration date, a new certificate of insurance evidencing coverage as provided herein for not less than the remainder of the term of the Lease, or for a period of not less than one year. New certificates of insurance are subject to the approval of the CSU, and Lessee agrees that no work or services shall be performed prior to the giving of such approval. In the event the Lessee fails to keep in effect at all times insurance coverage as herein provided, the CSU may in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event. Lessee agrees to waive their right of subrogation against the CSU for any claims.

Insurance to be placed with the California Admitted insurer with current A.M. Best's rating of no less than A:VII unless otherwise approved by the CSU.

If any Insurance required herein is written on a claims-made form, following the termination of this Agreement, coverage shall survive for a period of not less than three years. Coverage shall provide for a retroactive date of placement coinciding with the Agreement commencement date.

Commercial General Liability Coverage (as broad as ISO occurrence for CG0001) primary insurance coverage against claims for injuries to persons or damages to property and/or damages to property and/or contractual liability which may arise from or in connection with the performance of the work or operations hereunder by or on behalf of the Lessee, its agents, representatives or employees in an amount not less than \$5,000,000.00 (five million dollars) per occurrence; \$10,000,000.00 (Ten million dollars) aggregate.

Endorsements shall designate:

The State of California, Trustees of the California State University, California Polytechnic State University San Luis Obispo, and each of their officers, officials, employees, authorized representatives, agents and volunteers, the "CSU", as **additional insured(s)**.

Endorsements shall state this insurance shall be primary as respects the CSU, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the University scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.

Business Auto Liability Coverage (as broad as ISO form number CA 0001, code 1 any auto) primary insurance against claims for injuries to persons or damages to property and/or contractual liability which may arise from or in connection with the performance of the work hereunder by the Lessee, its agents, representatives or employees covering owned, hired, leased and non-owned automobiles used by or on behalf of the Lessee, including coverage for uninsured

and underinsured motorists, in an amount not less than \$1,000,000.00 (One million dollars) per occurrence.

Endorsement shall designate:

The State of California, Trustees of the California State University, California Polytechnic State University San Luis Obispo, and each of their officers, officials, employees, authorized representatives, agents and volunteers, the "CSU", as additional insured(s).

Endorsement shall state that this insurance shall be primary as respects the CSU, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's schedule underlying primary coverage. In either event, any other insurance maintained by the CSU scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.

Lessees who are sole proprietors and are using automobiles for personal transportation only may submit proof of automobile insurance as required by California law.

Worker's Compensation and Employer's Liability Coverage:

The Lessee shall provide the following coverage:

Primary insurance coverage against claims with respect to obligations imposed on the Lessee and sub lessees by State worker's compensation statutes and damages that the lessee becomes legally obligated to pay because of bodily injury by accident or disease to an employee.

Minimum limits: amount proscribed by California law for Worker's Compensation, \$1,000,000 for Employer's Liability.

Endorsement shall state that the insurer waives their right of subrogation against the CSU

Sole Proprietors Exclusion

Lessees who are sole proprietors or are otherwise excluded from state requirements for workers compensation coverage may:

- 1) Submit proof of health insurance as broad as statutorily required by the State of California for employees and either submit proof of disability insurance as broad as statutorily required by the State of California for employees

OR

- 2) Execute a Release Agreement with the University regarding the contract activities to be performed.

**RECREATION CENTER LEASE AGREEMENT
BETWEEN
CALIFORNIA POLYTECHNIC STATE UNIVERSITY,
SAN LUIS OBISPO
AND
ASSOCIATED STUDENTS INCORPORATED**

This lease agreement ("Lease" or "Agreement") is made and entered into by and between California Polytechnic State University ("University") and Associated Students Incorporated ("ASI") acting in its capacity as an authorized auxiliary organization in good standing. University enters into this Lease under authority of Section 89046 of the Education Code, Section 42601 of Title 5, California Code of Regulations, and CSU Trustees Executive Order 669.

In consideration of the mutual covenants contained in this Lease, the adequacy of which is hereby acknowledged, the parties agree as follows:

1. Purpose

The Recreation Center is a state financed and state-owned facility built for the purpose of providing student recreation and instructional space. ASI under the terms of this lease are lease-operators of University Union programs and facilities and ASI's obligations under this Lease are to be executed in its capacity as the Recreation Center's lease-operator and UU programs administrator pursuant to authority granted under agreement with the University. ASI will work cooperatively with the University to ensure the utilization of the facility meets overall programmatic and instructional needs.

2. Facilities Leased

University hereby leases to ASI and ASI hires from University, on an exclusive basis, those facilities set forth on the maps attached hereto as Exhibit A ("Facilities") and described in writing as follows:

- a) Recreation Center, approximately 200,410 gross sq. ft. and indicated as Building 43;
- b) Outdoor Recreation Zone including 50 meter pool and deck, recreation pool and deck, sand volleyball courts, and grass barbecue area; and
- c) Outdoor Climbing Wall.

3. Term of Lease

The term of this Lease shall be five (5) years beginning on 12/21/11 and ending 12/21/16 ("Term") unless sooner terminated as provided in this Lease. The term may be extended for an additional five (5) years upon written agreement ("Option Term").

4. Consideration

The Recreation Center provides an important service to students, faculty and staff. University finds ASI's maintenance and operation of the Recreation Center and its associated programs to constitute reasonable consideration for its use of the Facilities.

5. Conditions of Use

- a) ASI may occupy, operate and use the Facilities in accordance with the terms of this agreement and when such functions and activities come within the terms of Education Code, Section 89046, and this agreement:
 - i) Operating and maintaining a university union facility (including associated recreational facilities) for the students, faculty, staff, and guests of the University.
- b) ASI shall use the Facilities only for those functions and activities that are consistent with the guidelines and policies which have been or may hereafter be adopted by the Trustees of The California State University and the University.
- c) Operations of ASI under this Lease shall be integrated with the University operations and shall be under the general supervision of the University officials.
- d) ASI shall at all times cooperate with University in the use of the Facility. Scheduling and use priorities will be memorialized in a separate document.
- e) In no event shall ASI operate the Facilities in such a manner so as to jeopardize the tax exempt status of any bond financing.

6. Revenues

a) Revenues Generally

- i) All receipts of University Union cash (which includes Recreation Center cash) shall be deposited with the University Cashier in accordance with University policies and procedures, unless otherwise authorized by the University.
- ii) If the University authorizes ASI to deposit University Union cash receipts, all such cash collections shall be in separate non-fungible accounts established exclusively for use by the University Union.

b) Membership Fees

- i) ASI may collect membership fees from faculty, staff, and guests of the University. Rate schedule shall be approved by the University. Currently enrolled students are not subject to membership fees in recognition of University Union fees paid at the time of registration.
- ii) Membership fee revenue must be deposited to the credit of the University Union program.

c) Licensed Use

- i) ASI may license use of the Facilities to non-student groups. Licensing rate schedule shall be approved by the University. Any such usage must be coordinated through Conference Services.

- ii) Any revenues generated through licensing of Facilities will be deposited to the credit of the University Union program.
- d) Other
 - i) Revenues generated from other uses including but not limited to concessions, subleasing of space, etc. shall be deposited to the credit of the University Union program.

7. Audit

University shall have the right to perform financial and compliance audits of all records pertaining to Recreation Center operations at any time upon reasonable notice.

8. Equipment

All equipment purchased with "Group II" or University Union funds will be documented as state property and in satisfaction of state requirements.

9. Improvements and Alterations

- a) ASI shall have the right to erect, place, and attach fixtures, signs, and equipment in and upon the Facilities subject to University's approval and issuance of a building permit (as applicable; see current building permit policy). Unattached, movable equipment which may be installed without drilling, cutting, or otherwise attaching to the Facilities may be added by ASI without University's prior approval.
- b) No structural alterations, repairs or improvements will be made to the Facilities by ASI or at ASI's request without the prior written consent of University. ASI will comply with all applicable building codes and campus permitting and licensing policies in ASI's performance of alterations and improvements.

10. Charges for Services Provided by the State

- a) Utilities and Other Charges. ASI will reimburse University for services in support of ASI's activities under the terms and conditions of this Lease. Services may include, but are not limited to:
 - i) ASI will be charged for natural gas, electricity, domestic water, sewer and refuse collection at University rates.
 - ii) Telecommunications services including telephone, data, and WiFi, which will be billed at standard University rates.
- b) Monthly Billing. University will bill ASI monthly, in arrears, for these costs and reimbursement will occur within thirty (30) days of receipt of invoice.

11. Area Maintenance and Repair

- a) Custodial Maintenance. ASI is responsible for all custodial maintenance of the Facilities. ASI shall keep the Facilities neat and clean and in a safe and sanitary condition.

- b) Routine Maintenance: ASI is responsible for maintenance, repair and replacement as necessary of any and all systems servicing the Facilities including, but not limited to, HVAC, electrical, plumbing, swimming pool systems and equipment, and communication systems. ASI may contract with the University to provide such services on a reimbursed cost basis. In the event ASI elects to self-perform or contract with a service provider other than the University, ASI must present a maintenance plan for University approval prior to entering into such contract.
- c) University Repair at ASI Cost. If ASI fails to keep the Facilities neat and clean and in good condition and repair, University may at its option cause the Facilities to be put into good condition and repair and in such case ASI shall pay the cost thereof.
- d) Landscape Maintenance: ASI shall maintain Facility landscape within the area outlined in red on Exhibit "A" including but not limited to irrigation systems, lawn area, planters, etc. Landscape maintenance responsibilities may be adjusted upon agreement between the parties.

12. Maintenance Review

University (Facility Services Department) and ASI will meet once every three (3) years to discuss the condition of the Facilities. Prior to each scheduled review, University will conduct a Facility Condition Assessment (at ASI's expense) to determine the existence of any deficiencies and the necessary repairs or corrections required to remedy such deficiencies. University will notify ASI in writing of any required repairs or corrections and ASI will present a mutually acceptable written plan to University on the manner in which ASI intends to accomplish the repairs or corrections. ASI will submit this written plan within sixty (60) days of University's written notice.

- a) The review period described above may be adjusted upon agreement between the parties.

13. Insurance

- a) ASI will at all times during the term of this Lease maintain liability insurance of the type and minimum amount specified in Exhibit "B".
- b) Real property insurance for the Recreation Center will be maintained by the University. Associated costs will be charged directly to the University Union program.

14. Indemnification

ASI will defend, indemnify, hold harmless and protect the State of California, the Trustees of the California State University, California Polytechnic State University, San Luis Obispo, their officers, employees, representatives, agents and volunteers from and against any and all liability, loss, damage, expense, cost (including without limitation to costs and fees of litigation) of every nature arising out of or in connection with ASI's (any subcontractor, anyone directly or indirectly employed by anyone for whose acts any of them may be liable) operations under this Lease, except such loss or damage which was caused by the sole negligence or willful misconduct of the State of California, the Trustees of the California State University, California Polytechnic State University, San Luis Obispo, their officers, employees, representatives, agents and volunteers.

15. Termination

- a) This Lease may be terminated upon any of the following occurrences:
 - i) Expiration of the Lease Term as set forth herein;
 - ii) Violation of any substantial provision of this Lease;
 - iii) Administrative necessity;
 - iv) The use of the Facilities is required for civil defense purposes or in the event of a campus, state or national emergency;
 - v) Assignment or subleasing any part of the Facilities covered by this Lease without written permission of University;
 - vi) Notification by the President of University to ASI that the Facilities are needed for the exclusive use of University; or
 - vii) Cessation of operations of ASI

16. Right of Entry

University and its agents have the right to enter the Facilities at any time with or without notice for the following purposes: examination of Facilities, safety or supervision, determination of repair or replacement needs, to conduct an audit, or for any other lawful purpose.

17. Holding Over

If ASI holds over after the expiration of the Term with the express or implied consent of University, this holdover will be on a month-to-month basis subject to the terms and conditions of this Lease.

18. Encumbrances

ASI may not subject this Lease or any other state property to any encumbrance, trust deed or other security device without the written consent of University.

19. Amendments

This Lease may not be amended, changed, modified or altered without the written consent of University and ASI.

20. Assignment or Sublease

This Lease is not assignable by ASI either in whole or in part

21. Taxes and Assessments

ASI will pay all lawful taxes, assessments, or charges that at any time may be levied upon any interest ASI may have under this Lease. It is understood that this Lease may create a possessory interest to property taxation and ASI may be subject to the payment of tax levied on such interest.

22. Relationship of Parties


ASI and the agents and employees of ASI in the performance of this Lease shall act in an independent capacity and not as officers or employees or agents of University, except as expressly provided in writing by University. The employees of University who participate in the performance of this Lease are not agents of ASI.

23. Dispute Resolution

Any dispute arising under the terms of this Lease that is not resolved within a reasonable period of time shall be brought to the attention of the Vice President for Administration and Finance (or designee) of the University for final dispute resolution.

This Lease is accepted and executed by the duly authorized representatives of the parties.

Associated Students Incorporated

By  Signed on 12/21, 2011
for Rick Johnson
Executive Director

California Polytechnic State University

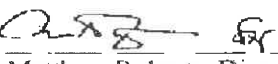
By  Signed on 12/21, 2011
Matthew Roberts, Director
Contracts, Procurement, and Risk Management

Exhibit "A"
Maps of Leased Area

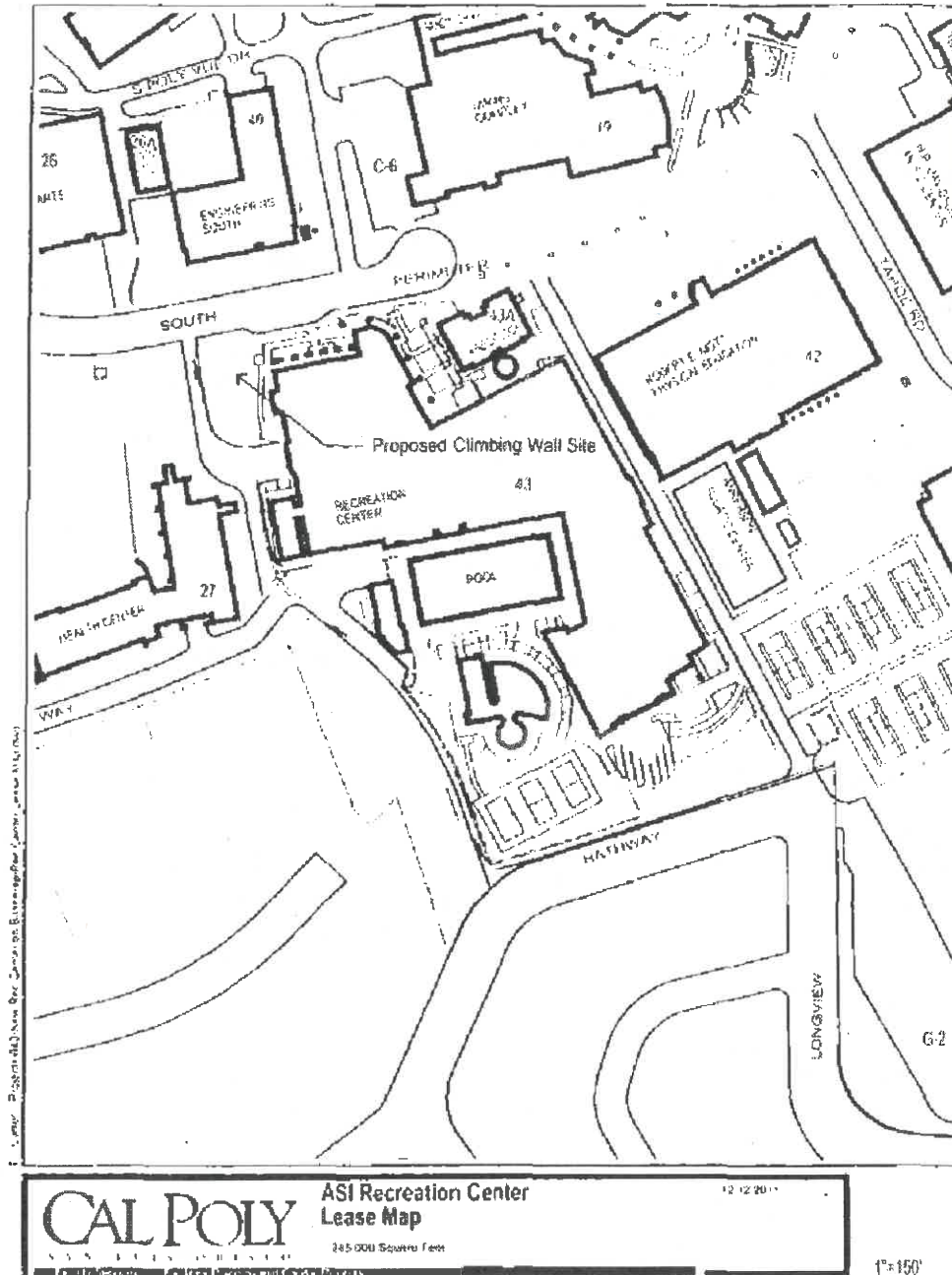


Exhibit "B"
Insurance Requirements

INSURANCE REQUIREMENTS

The Lessee will maintain all necessary insurance as required herein. The Lessee shall provide a Certificate of Insurance with appropriate endorsements indicating that the required coverage is in effect on an annual basis, or for the duration of the Lease. Lessee agrees to provide, or cause their insurance carrier to provide, at least 30 days written notice prior to cancellation or modification (10 days advance written notice for non-payment) of such liability insurance. In the event the insurance coverage expires at any time or times during the term of the Lease, Lessee agrees to provide at least 15 days prior to said expiration date, a new certificate of insurance evidencing coverage as provided herein for not less than the remainder of the term of the Lease, or for a period of not less than one year. New certificates of insurance are subject to the approval of the CSU, and Lessee agrees that no work or services shall be performed prior to the giving of such approval. In the event the Lessee fails to keep in effect at all times insurance coverage as herein provided, the CSU may in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event. Lessee agrees to waive their right of subrogation against the CSU for any claims.

Insurance to be placed with the California Admitted insurer with current A.M. Best's rating of no less than A:VII unless otherwise approved by the CSU.

If any Insurance required herein is written on a claims-made form, following the termination of this Agreement, coverage shall survive for a period of not less than three years. Coverage shall provide for a retroactive date of placement coinciding with the Agreement commencement date.

Commercial General Liability Coverage (as broad as ISO occurrence for CG0001) primary insurance coverage against claims for injuries to persons or damages to property and/or damages to property and/or contractual liability which may arise from or in connection with the performance of the work or operations hereunder by or on behalf of the Lessee, its agents, representatives or employees in an amount not less than \$5,000,000.00 (five million dollars) per occurrence; \$10,000,000.00 (Ten million dollars) aggregate.

Endorsements shall designate:

The State of California, Trustees of the California State University, California Polytechnic State University San Luis Obispo, and each of their officers, officials, employees, authorized representatives, agents and volunteers, the "CSU", as **additional insured(s)**.

Endorsements shall state this insurance shall be primary as respects the CSU, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the University scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.

Business Auto Liability Coverage (as broad as ISO form number CA 0001, code 1 any auto) primary insurance against claims for injuries to persons or damages to property and/or contractual liability which may arise from or in connection with the performance of the work hereunder by the Lessee, its agents, representatives or employees covering owned, hired, leased and non-owned automobiles used by or on behalf of the Lessee, including coverage for uninsured

and underinsured motorists, in an amount not less than \$1,000,000.00 (One million dollars) per occurrence.

Endorsement shall designate:

The State of California, Trustees of the California State University, California Polytechnic State University San Luis Obispo, and each of their officers, officials, employees, authorized representatives, agents and volunteers, the "CSU", as additional insured(s).

Endorsement shall state that this insurance shall be primary as respects the CSU, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's schedule underlying primary coverage. In either event, any other insurance maintained by the CSU scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.

Lessees who are sole proprietors and are using automobiles for personal transportation only may submit proof of automobile insurance as required by California law.

Worker's Compensation and Employer's Liability Coverage:

The Lessee shall provide the following coverage:

Primary insurance coverage against claims with respect to obligations imposed on the Lessee and sub lessees by State worker's compensation statutes and damages that the lessee becomes legally obligated to pay because of bodily injury by accident or disease to an employee.

Minimum limits: amount proscribed by California law for Worker's Compensation, \$1,000,000 for Employer's Liability.

Endorsement shall state that the insurer waives their right of subrogation against the CSU

Sole Proprietors Exclusion

Lessees who are sole proprietors or are otherwise excluded from state requirements for workers compensation coverage may:

- 1) Submit proof of health insurance as broad as statutorily required by the State of California for employees and either submit proof of disability insurance as broad as statutorily required by the State of California for employees

OR

- 2) Execute a Release Agreement with the University regarding the contract activities to be performed.

THIRD AMENDMENT TO NON-EXCLUSIVE FACILITY LEASE
(Sports Complex)

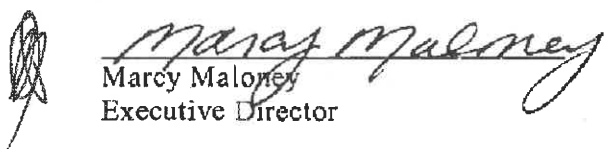
The Trustees of the California State University, on behalf of its campus, California Polytechnic State University (hereinafter collectively referred to as "Cal Poly") and the Associated Students, Inc. ("ASI") have entered into a written Facility Lease for the Sports Complex ("Lease") with a term of July 1, 2008 through June 30, 2016. The lease term was extended through July 1, 2017 via amendment.

Cal Poly and ASI agree to amend this Lease as follows:

1. The term of the Lease will be extended from July 1, 2017, through December 31, 2022, unless earlier terminated by Cal Poly.
2. All other terms and conditions of the Lease will remain in full force and effect

This Lease has been executed by the duly authorized representatives of the parties.

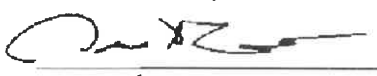
Associated Students, Inc.


Marcy Maloney
Executive Director

Date

6/22/17

California Polytechnic State University


Dru Zachmeyer
Assistant Vice President
Strategic Business Services

Date

4/25/17

THIRD AMENDMENT TO NON-EXCLUSIVE FACILITY LEASE
(University Union Operating Agreement and Lease)

The Trustees of the California State University, on behalf of its campus, California Polytechnic State University (hereinafter collectively referred to as "Cal Poly") and the Associated Students, Inc. ("ASI") have entered into a written Facility Lease and Operating Agreement for the University Union ("Lease") with a term of July 1, 2006 through June 30, 2016. The lease term was extended through July 1, 2017 via amendment.

Cal Poly and ASI agree to amend this Lease as follows:

1. The term of the Lease will be extended from July 1, 2017, through December 31, 2022, unless earlier terminated by Cal Poly.
2. All other terms and conditions of the Lease will remain in full force and effect

This Lease has been executed by the duly authorized representatives of the parties.

Associated Students, Inc.


Marcy Maloney
Executive Director

Date

6/22/17

California Polytechnic State University


Dru Zachmeyer
Assistant Vice President
Strategic Business Services

Date

6/23/17

SECOND AMENDMENT TO NON-EXCLUSIVE FACILITY LEASE
(University Union Operating Agreement and Lease)

The Trustees of the California State University, on behalf of its campus, California Polytechnic State University (hereinafter collectively referred to as "Cal Poly") and the Associated Students, Inc. ("ASI") have entered into a written Facility Lease and Operating Agreement for the University Union ("Lease") with a term of July 1, 2006 through June 30, 2016. The lease term was extended through December 31, 2016 via amendment on or about July 1, 2016.

Cal Poly and ASI agree to further amend this Lease as follows:

1. The term of the Lease will be extended from December 31, 2016, through July 1, 2017, unless earlier terminated by Cal Poly.
2. All other terms and conditions of the Lease will remain in full force and effect.

This Lease has been executed by the duly authorized representatives of the parties.

Associated Students, Inc.


Marcy Maloney
Executive Director

Date 12/20/16

California Polytechnic State University


Dru Zachmeyer
Assistant Vice President
Strategic Business Services

Date 12/6/16

FIRST AMENDMENT TO NON-EXCLUSIVE FACILITY LEASE
(University Union Operating Agreement and Lease)

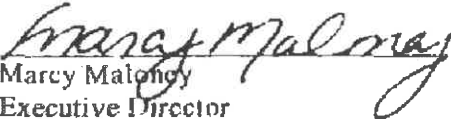
The Trustees of the California State University, on behalf of its campus, California Polytechnic State University (hereinafter collectively referred to as "Cal Poly") and the Associated Students, Inc. ("ASI") have entered into a written Facility Lease and Operating Agreement for the University Union ("Lease") with a term of July 1, 2006 through June 30, 2016.

Cal Poly and ASI agree to amend this Lease as follows:

1. The term of the Lease will be extended from July 1, 2016, through December 31, 2016, unless earlier terminated by Cal Poly.
2. All other terms and conditions of the Lease will remain in full force and effect

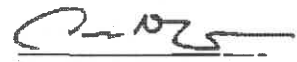
This Lease has been executed by the duly authorized representatives of the parties.

Associated Students, Inc.


Marcy Maloney
Executive Director

Date 6/28/2016

California Polytechnic State University


Dru Zachmeyer
Assistant Vice President
Strategic Business Services

Date 6/29/16

**UNIVERSITY UNION
OPERATING AGREEMENT AND LEASE
BETWEEN
TRUSTEES ON BEHALF OF CALIFORNIA POLYTECHNIC STATE
UNIVERSITY, SAN LUIS OBISPO
AND
ASSOCIATED STUDENTS, INC.**

This University Union Operating Agreement and Lease ("Agreement") is made and entered into by and between the State of California through its Trustees of the California State University by their duly qualified and acting Chancellor ("Trustees") on behalf of its campus California Polytechnic State University, San Luis Obispo ("University") and Associated Students, Inc. (Auxiliary). The term of this Agreement shall be July 1, 2006 through June 30, 2016 unless sooner terminated as herein provided.

1. PURPOSE

A. The purpose of this Agreement is to set forth the terms and conditions under which Auxiliary may lease and operate University facilities pursuant to Chapter 7, Part 55, Division 8, Title 3 (Sections 89900 et seq.) and Section 89046 of the Education Code and Subchapter 6, Article 1, Part V (Sections 42400 et seq.) and Section 42601 of Title 5 of the California Code of Regulations (CCR). In entering this Agreement, Trustees find that certain functions important to the mission of the California State University are more effectively accomplished by the use of an auxiliary organization rather than the usual governmental budgeting, purchasing and other fiscal procedures.

B. A University Union facility has been constructed at the University under the provisions of the California Education Code, Sections 89303 and 89304, wherein in May, 1964, the students of the University have obligated themselves to the payment of a fee for the retirement of revenue bonds issued by the Trustees under the State College Revenue Bond Act of 1947, beginning at Section 90010 of the California Education Code.

C. It is the intent of this Agreement to provide the terms and conditions under which Auxiliary will lease and operate the University Union. More specifically, Auxiliary will operate and support University Union organization programs related to the activities of the University, or the activities or organizations of University students, faculty, staff, guests, and the community, and will operate and support University's use of the University Union for University programs.

2. ADDITIONAL CONDITIONS

A. Auxiliary agrees to maintain its organization and to operate in accordance with all applicable regulations and policies of the Trustees and University currently in existence and which may be subsequently adopted.

B. Trustees and University reserve the right to require changes or amendments to be made to this Agreement at any time in order to comply with any law, Trustee or University policies, as the same may be in existence, enacted or amended from time to time.

3. RECORDS AND UNIVERSITY UNION FUNDS

A. Auxiliary shall maintain adequate records and shall submit periodic reports as required by Trustees showing the operation and financial status of the University Union. The records and reports shall cover all activities of the University whether pursuant to this Agreement or otherwise. The University Union funds and money are separate and not a part of Auxiliary. Auxiliary shall maintain records pertaining to the University Union. Auxiliary assets and University Union assets are not fungible.

B. All funds obtained from mandatory University Union fees shall be expended by Auxiliary in accordance with the regulations and policies of the Trustees and University.

C. All funds and money collected by or on behalf of the University Union, except funds and money collected from commercial services, shall be deposited in trust by the campus chief fiscal officer in accordance with procedures approved by the University and Auxiliary. Investment, accounting, control and expenditures of such funds shall be in accordance with the regulations and policies of the Trustees and University.

D. Preparation, review and approval of the University Union's budget by the University President shall be in accordance with the regulations and policies of Trustees and University.

4. FISCAL AUDITS

University Union funds held by Auxiliary are subject to the provisions of Section 89900 of the Education Code and Section 42408 of Title 5, CCR. In accordance with these provisions, Auxiliary, on behalf of the University Union, agrees to:

A. Contract with a certified public accountant for an annual audit at the University Union's expense. The examination shall meet the standards prescribed by the Trustees and furnished to the Trustees.

B. Permit examination of all University Union and Auxiliary records, respectively, by Trustees, University or their designee.

5. REMEDIES ON TERMINATION OR BREACH

A. Failure of Auxiliary to comply with any term of this Agreement may result in the removal, suspension, or placing on probation of Auxiliary as an auxiliary organization in

good standing. Such action by Trustees may involve the limitation or removal of Auxiliary's right to utilize the resources, facilities, and name of the University.

B. Upon termination or breach of this Agreement, Trustees, at their sole discretion, may require Auxiliary to transfer all University Union assets in its possession, by reason of its status as the University Union lease operator, to a successor nonprofit corporation qualifying as an auxiliary organization. This remedy shall be in addition to any other remedies available to Trustees upon termination or breach of this Agreement.

C. In addition to any other remedies, Trustees may, upon breach or termination of this Agreement, withhold from Auxiliary all funds or fees collected by Trustees for benefit of Auxiliary or the University Union.

6. FAIR EMPLOYMENT PRACTICES

In the performance of this Agreement, Auxiliary shall not deny employment opportunities to any person on the basis of race, color, religion, ethnic group identification, sex, sexual orientation, marital status, pregnancy, age, physical or mental disability, medical condition, or veteran's status. Auxiliary shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by the Trustees.

7. CHARGES FOR FACILITIES & SERVICES PROVIDED BY THE TRUSTEES

Auxiliary agrees to reimburse Trustees for expenses incurred by Trustees as the result of Auxiliary's activities as the University Union lease operator under the terms of this Agreement. Reimbursement shall include but not be limited to, costs and expenses related to utilities, custodial services, maintenance services, landscape services, and the provision of equipment and supplies. Reimbursement shall be computed on a simple but equitable basis. The University Vice President for Administration and Finance, as the campus President's designee, will determine and specify the costs and amounts of reimbursement. Auxiliary agrees to make reimbursement within thirty (30) days from receipt of notice of such determination.

8. MAINTENANCE, CARE AND REPAIR OF THE UNIVERSITY UNION

A. Auxiliary agrees that it will be solely responsible for the upkeep, care and maintenance of the entire Leased Property (For purposes of this section, Leased Property includes the exclusive, non-exclusive, and Student Life and Leadership excluded areas as set forth in more detail on the attached maps and in Section 12 of this Agreement). It further agrees to maintain the Leased Property in a clean and orderly condition and shall at its own expense dispose of all waste from the Leased Property in a timely and efficient manner. Auxiliary further agrees to abide by all applicable University policies and procedures applicable to maintenance.

- B. Auxiliary agrees to keep the Leased Property in good repair or will contract with University or a private firm to affect repairs which Auxiliary is not equipped to handle.
- C. Auxiliary's performance of work or third party contracting will comply with California State Public Works requirements where University deems it applicable.
- D. University will determine the existence of any Leased Property deficiencies and the necessary repairs or corrections required to remedy any deficiencies. University will notify Auxiliary in writing of any required repairs or corrections and Auxiliary will present an acceptable written plan to University on the manner in which Auxiliary intends to accomplish the repairs or corrections. Auxiliary will submit this written plan within 30 days of University's written notice.

9. INDEMNIFICATION

Auxiliary will defend, indemnify, hold harmless and protect the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, agents, students and volunteers from and against any and all liability, loss, damage, expense, cost (including without limitation to costs and fees of litigation) of every nature arising out of or in connection with Auxiliary's (any subcontractor, anyone directly or indirectly employed by anyone for whose acts any of them may be liable) operations under this Agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, agents, students and volunteers.

10. INSURANCE FOR THE UNIVERSITY UNION

Insurance Requirements for Auxiliary

Auxiliary shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of its activities under this Agreement by Auxiliary, its agents, representatives, employees or contractors not a party to this Agreement.

Risk Identification and Evaluation

In accordance with Executive Order No. 849 of the California State University, the UNIVERSITY will at such time or times as it deems appropriate conduct a risk assessment and evaluation to determine and amend the appropriate types and minimum levels of coverage to be maintained pursuant to this Agreement.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) for liability arising out of work or operations performed by or on behalf of Auxiliary including materials, parts, products or equipment furnished in connection with such work or operations and completed operations.
2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto) for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of Auxiliary.
3. Workers' Compensation coverage as required by the State of California and Employer's Liability coverage.
4. Crime coverage with coverage for employee dishonesty, forgery or alteration, premises, transit, money orders and counterfeit currency, computer fraud and fund transfer fraud.
5. Errors and Omissions Liability including coverage for the acts and omissions of directors, officers and employees, including employment practices liability.
6. Property "all risks" coverage for real property, betterment and improvements, and business property which is leased from the University, held in trust on behalf of the University and/or owned by Auxiliary.

Minimum Limits of Insurance

Auxiliary shall maintain limits no less than:

1. General Liability (GL):
\$5,000,000 per occurrence for bodily injury, personal injury and property damage.
If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be twice the required occurrence limit.
1. Automobile Liability (AL)
\$1,000,000 per accident for bodily injury and property damage.
2. Workers Compensation and Employer's Liability (WC):
Statutory limits for Workers Comp and \$1,000,000 per accident for bodily injury or disease for Employer's Liability.
3. Crime coverage:
Minimum of \$1,000,000 for employee dishonesty and forgery, \$500,000 for premises and transit coverage, \$500,000 for money orders and computer fraud.
4. Errors and Omissions Liability coverage
\$1,000,000 per occurrence.
5. Property Coverage
100% of value with no co-insurance penalty.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions greater than \$25,000 must be declared to and approved by the University. At the option of the University, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the University. Auxiliary shall provide a financial guarantee satisfactory to the University guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

Each insurance policy required shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice has been given to the University.

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The State of California, the Board of Trustees of the California State University, California Polytechnic State University, and each of their officers, public officials, employees, representatives, agents, and volunteers are to be covered as additional insureds.
2. Auxiliary's insurance coverage shall be primary insurance as respects the State of California, the Board of Trustees of the California State University, California Polytechnic State University, and each of their officers, public officials, employees, representatives, agents, and volunteers. Any insurance or self-insurance maintained by the State of California, the Board of Trustees of the California State University, California Polytechnic State University, and each of their officers, public officials, employees, representatives, agents, and volunteers shall be excess of Auxiliary's insurance and shall not contribute with it.
3. With respect to GL insurance, coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Subrogation

Auxiliary waives its rights to subrogate liability and property losses against the Trustees.

The insurers providing WC and Employer's Liability and Property coverage as detailed in this Section 10 (Insurance for the University Union) shall provide endorsements waiving all rights of subrogation against the Trustees.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, or as otherwise acceptable to University.

Verification of Coverage

Auxiliary shall furnish the University with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the University or on other than the University's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the University before any work commences. The University reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Contractors

Auxiliary shall ensure that all contractors, not a party to this Agreement, performing work for Auxiliary shall have adequate insurance coverage including general liability, automobile liability, and workers compensation coverage. Where appropriate, such policies should name Auxiliary and the State of California, the Board of Trustees of the California State University, California Polytechnic State University, its officers, public officials, employees, representatives, agents, students and volunteers as additional insureds to protect the Auxiliary and University.

Sub Agreements

Additional forms and limits of coverage may be required as agreed upon by the parties in specific supplemental agreements.

Form of Coverage

It is understood and agreed that Auxiliary may participate in various risk financing programs and will provide comparable coverage and evidence of such coverage shall be acceptable in lieu of the requirements stated above.

California Polytechnic State University is Self-Insured

The State of California has elected to self-insure for its general, vehicle, employer's, workers' compensation and professional liability exposures through an annual appropriation from the General Fund. As a State agency, the California State University Office of the Chancellor, the Trustees, and its system of 23 campuses (including California Polytechnic State University, San Luis Obispo) participate in this self-insured program.

The CSU Office of Risk Management administers the general, employer's, professional, and workers' compensation liability programs through the California State University Risk Management Authority (CSURMA) a Joint Powers Authority (JPA) authorized by the State of California.

The California State University maintains public entity liability coverage on an occurrence basis including general, employer's and professional liability through a pooled layer of coverage. The California State University purchases excess coverage from Schools Excess Liability Fund (SELF) a JPA authorized by the State of California.

The California State University participates as a State agency in the self-funded program of direct payment of automobile liabilities, covering bodily injury and property damage, through the Vehicle Self-Insurance Program administered by the State Office of Risk and Insurance Management. This program covers liabilities arising from operation of owned, non-owned and hired vehicles.

The California State University maintains a self-funded program of direct payment of workers' compensation liabilities in compliance with California statutes through CSURMA. A pooled layer of coverage is primary with excess coverage provided through an agreement with SELF.

11. CONFORMANCE WITH LAW AND POLICY

During the term of this Agreement, Auxiliary shall operate the Leased Premises and perform its obligations under this Agreement in conformance with all applicable laws and policies of Trustees and of the University which are currently in effect or which may be adopted hereafter. Further, Auxiliary agrees to operate as an auxiliary organization in good standing.

Violation of this section shall subject Auxiliary to termination of this Agreement unless the violation is corrected within 30 days of written notice from the Chancellor.

12. NON-EXCLUSIVE FACILITY LEASE OF PREMISES

Pursuant to the California Education Code Section 89046 and Section 42601 of Title 5, California Administrative Code, the Trustees lease to Auxiliary and Auxiliary hires from Trustees those certain facilities and surrounding areas including courtyards on a non-exclusive basis, except as set forth in this Section 12 (Non-Exclusive Facility Lease of Premises) below, described as follows:

All facilities and surrounding areas including courtyards located on the parcel of land being a portion of the Southwest quarter of Section 23, T3OS, R12E, MDB&M, San Luis Obispo County, State of California, said parcel being more particularly described as follows:

Beginning at the most Southerly corner of that parcel of land shown on record of survey map filed for record in Book 16 at Page 8 of Record of Surveys in the office of the San Luis Obispo County Recorder, and running along the Easterly line as shown on said Record of Survey, North 50 55' 21" East, 129.07 feet; thence North 38 05' 21" East, 220.48 feet; thence North 12 17' 21" East, 212.79 feet to the most Easterly corner of said parcel shown on said Record of Survey, thence North 79 19' 21" West, 261.00 feet to the most Northerly corner of said parcel shown on said Record of Survey; thence South 49 44' 39" West, 182.02 feet to the most Westerly corner of said parcel shown on said Record of Survey; thence South 38 46' 51" East, 223.70 feet; thence South 16 06' 21" East, 85.86 feet to the most Southerly corner of said parcel shown on said Record of Survey and to the true point of beginning. Said property is commonly known as Julian A. McPhee University Union, California Polytechnic State University, San Luis Obispo, approximately 106,000 sq. ft. indicated as Building No. 65 ("Leased Property" or "University Union").

In consideration for Auxiliary's agreement to act as the lease operator of the University Union as more particularly described at Section 13 (Consideration for the Use of Premises), the Trustees lease to Auxiliary and Auxiliary hires from Trustees the following on an exclusive basis:

- A. The green areas shown on Exhibit A consisting of Auxiliary corporate space; and
- B. The yellow areas shown on Exhibit A consisting of University-approved subleased space to third parties.

Subject to:

- A. The use of the Leased Property for civil defense purposes or in the event of a state or national emergency.
- B. Unanticipated need of Trustees to meet the demands of the educational objectives of the University. The right to the use of any Leased Property included in this Agreement shall cease upon written notice by the President to Auxiliary that the Leased Property is needed for the exclusive use of Trustees.

EXCLUSIONS from the Leased Property are the pink areas shown on Exhibit A, more specifically described as follows:

- 1.) El Corral Bookstore. Excluded from this Agreement is the El Corral Bookstore housed in rooms 101, 101A, M100, M101, M104, M107, M107A, M107B and M108 and the tunnel portion of the University Union Building and Room 7 (Storage area) and the tunnel portion of the Cafeteria Building, a total of 23,550 square feet.
- 2.) Student Life and Leadership: Rooms 217, 217A through 217K.

13. CONSIDERATION FOR USE OF PREMISES

- A. Auxiliary may occupy, operate, and use the Leased Property only in connection with the functions and activities that are consistent with the guidelines and policies which have been or may hereafter be adopted by the Trustees or University, and in accordance with this Agreement.
- B. Operation of the University Union by Auxiliary under this Agreement shall be integrated with University operations and shall be under the general supervision of University officials.
- C. Auxiliary shall manage and operate the University Union facilities in accordance with the bond indenture, the policies of the Trustees of the California State University and University, this Agreement, and for the benefit of University.

D. University's primary function is the transmission of knowledge. The achievement of this objective requires that certain supportive functions surround this central function. Auxiliary agrees to maintain and operate the Leased Property for University students, faculty, staff and guests, and maintain and operate the University Union for University programs.

E. The University finds that Auxiliary's performance of the duties and obligations set forth in this Section 13 (Consideration for the Use of Premises) constitutes reasonable consideration for Auxiliary's exclusive use of that certain portion of the University Union as set forth at Section 12 (Non-Exclusive Facility Lease of Premises).

14. APPLICATION OF UNIVERSITY UNION FEES

A. Pursuant to the Revenue Bond Act of 1947, retirement of the debt incurred by Trustees for the construction of the University Union is to come from a mandatory University Union fee to be paid by all enrolled students. After required funds have been set aside for debt service and all reserves, Trustees agree to make available University Union surplus funds to Auxiliary as authorized by Education Code, Section 90076. Trustees agree to transfer such funds, if any, in the University Union Net Revenue Fund account, in the following circumstances:

1) University Union programs operated by Auxiliary shall be entitled to a transfer of surplus funds as required for operating purposes. The transfer for operating purposes will be based on needs as shown in the operating budget and approved by the University and Office of the Chancellor, subject to the availability of such funds.

2) Additional transfers of surplus revenue may be made for extraordinary expenses as requested by Auxiliary on behalf of the University Union and approved by the Office of the Chancellor, subject to the availability of surplus funds.

B. This Section shall be subject to and construed in conformity with the Resolution of the Trustees adopted January 28, 1970 authorizing the issuance of California State University University Union Revenue Bonds made a part of this Agreement by reference.

15. SIGNS

During the term of this Agreement, Auxiliary shall have the right to erect, place, and attach signs in and upon the Leased Property. Plans and working drawings for buildings and equipment to be placed on the Leased Property shall have prior approval of Trustees. The number, size, and location of signs is subject to prior written approval of the University President or his or her designee. Signs so erected, placed, or attached by the Auxiliary shall become the property of the University.

16. ALTERATIONS

The Leased Property must not be altered or changed in any manner without University's written consent. Any authorized changes, alterations and/or tenant improvements will be made under University's direction at Auxiliary's sole expense. Further, any changes, alterations and/or tenant improvements must be performed in accordance with campus policies and procedures, including following applicable permit and license processes. Direct project and related management costs may be recovered by University from Auxiliary related to the alterations. Tenant improvements not materially affecting the building's exterior or footprint may be performed by Auxiliary once approved by the Trustees, in accordance with campus policy. Any alterations shall be performed in compliance with California Public Works regulations.

17. RIGHT OF ENTRY

It is understood and agreed that at any time the Trustees and University and their agents shall have the right to enter the Leased Property or any part thereof for the purpose of examination or supervision.

18. RESTORATION OF PREMISES

Upon termination of this Agreement, Trustees shall have the option to require Auxiliary, at its own expense and risk, to restore the Leased Property as nearly as possible to the condition existing prior to the execution of the Agreement, with the exception of normal wear and tear.

But, if Auxiliary shall fail to do so within ninety (90) days after Trustees's option, Trustees may restore the property at the risk of the Auxiliary and all costs and expenses of such removal or restoration shall be paid by Auxiliary upon demand of Trustees. Trustees shall have the right to exercise this option within thirty (30) days after the expiration of this Agreement, but not thereafter.

19. MORTGAGES

Auxiliary shall not have the right to subject this Leased Property to any mortgage, trust deed, or other security device without the written consent of Trustees.

20. ASSIGNMENTS OR SUBLEASE

Auxiliary shall not assign or sublease any part of the Leased Premises covered by this Agreement without the written permission of Trustees.

Trustees agree, however, that Auxiliary may sublease any portion of the Leased Premises with the written approval of the University President or his or her designee.

Subleases may be written with terms in excess of this Agreement, however, the continuation of the sublease past the term of this Agreement is contingent on this Agreement's renewal. Further, in the event of any inconsistency between any sublease and this Agreement, this Agreement's terms and conditions will prevail.

21. AMERICANS WITH DISABILITIES ACT (ADA)

Auxiliary assures the Trustees that it complies with the Americans with Disabilities Act (ADA) of 1990, if that act is otherwise applicable. The ADA prohibits discrimination on the basis of disability. (42 U.S.C. 12101 et seq.)

22. AMENDMENT CLAUSE

This Agreement may not be amended, changed, modified, or altered without the written consent of University, Auxiliary, and the Trustees.

23. HOLDING OVER

Should Auxiliary hold over after the expiration of the term of this Agreement with the express or implied consent of University, such holding over shall be on a month-to-month basis subject to the terms and conditions of this Agreement.

24. 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 five (5) days after deposit in the United States mail, certified and postage prepaid and addressed as herein provided.

Notice to the Trustees shall be addressed as follows:

Trustees of The California State University
401 Golden Shore
Long Beach, CA 90802
Attn: Contracts & Procurement

Notice to University shall be addressed as follows:

Director, Contract and Procurement Services
California Polytechnic State University
San Luis Obispo, CA 93407

Notice to Auxiliary shall be addressed as follows:

Executive Director
Associated Students, Inc.
San Luis Obispo, CA 93407

25. WAIVER

The waiver by any party of a breach by the other party of any term, covenant or condition hereof will not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition herein.

26. RELATIONSHIP OF PARTIES

Auxiliary and the agents and employees of Auxiliary in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the Trustees, except as expressly provided in writing by the University. The employees of the Trustees who participate in the performance of this Agreement are not agents of Auxiliary.

27. NEITHER CONSTRUED FOR OR AGAINST ANY PARTY

The interpretation made of this Agreement will not be construed against either party on the ground that the party drafted the agreement.

28. PARTIAL INVALIDITY

If any one or more of the terms, provisions, covenants or conditions of this Agreement are to any extent declared invalid, unenforceable, void or voidable for any reason by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants or conditions of this Agreement will be affected thereby, and each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

29. SECTION HEADINGS

All articles, paragraph and section headings, titles or captions contained in this Agreement are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

30. DISPUTE RESOLUTION

Any dispute arising under the terms of this Agreement that is not resolved within a reasonable period of time shall be brought to the attention of the Executive Director of Auxiliary (or designee) and the Vice President for Administration and Finance (or designee) of University for joint resolution. Despite an unresolved dispute, the parties shall continue without delay to perform their respective responsibilities under this Agreement.

This Agreement is accepted and executed by the duly authorized representatives of the parties.

Executed on 01 SEP, 2006.

Associated Students, Inc.

By [Signature]
Richard G. Johnson,
Executive Director

Executed on 9-18, 2006.

California Polytechnic State University

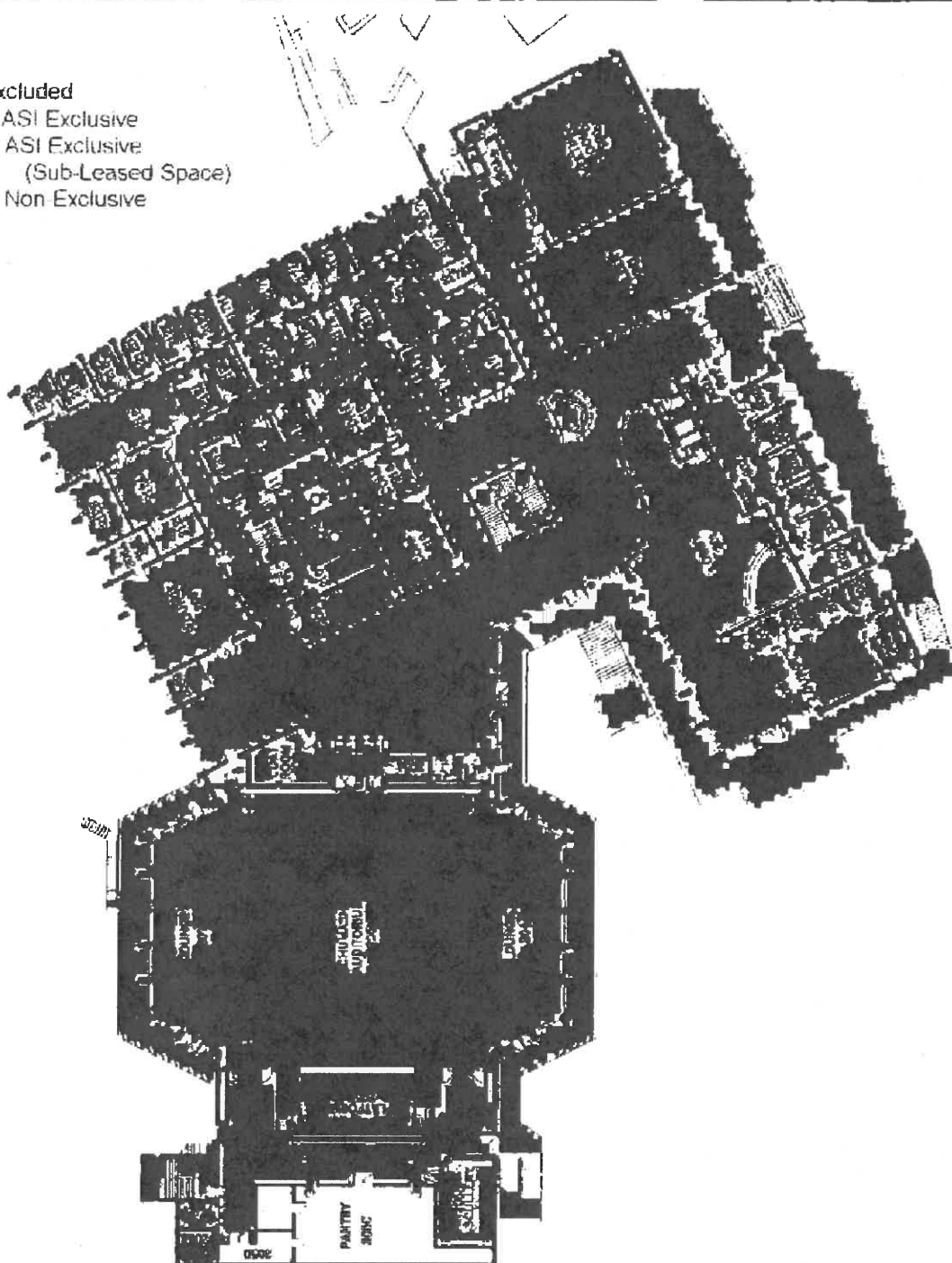
By [Signature]
Matthew Roberts,
Director, Contract and Procurement Services

Executed on 9 27, 2006.

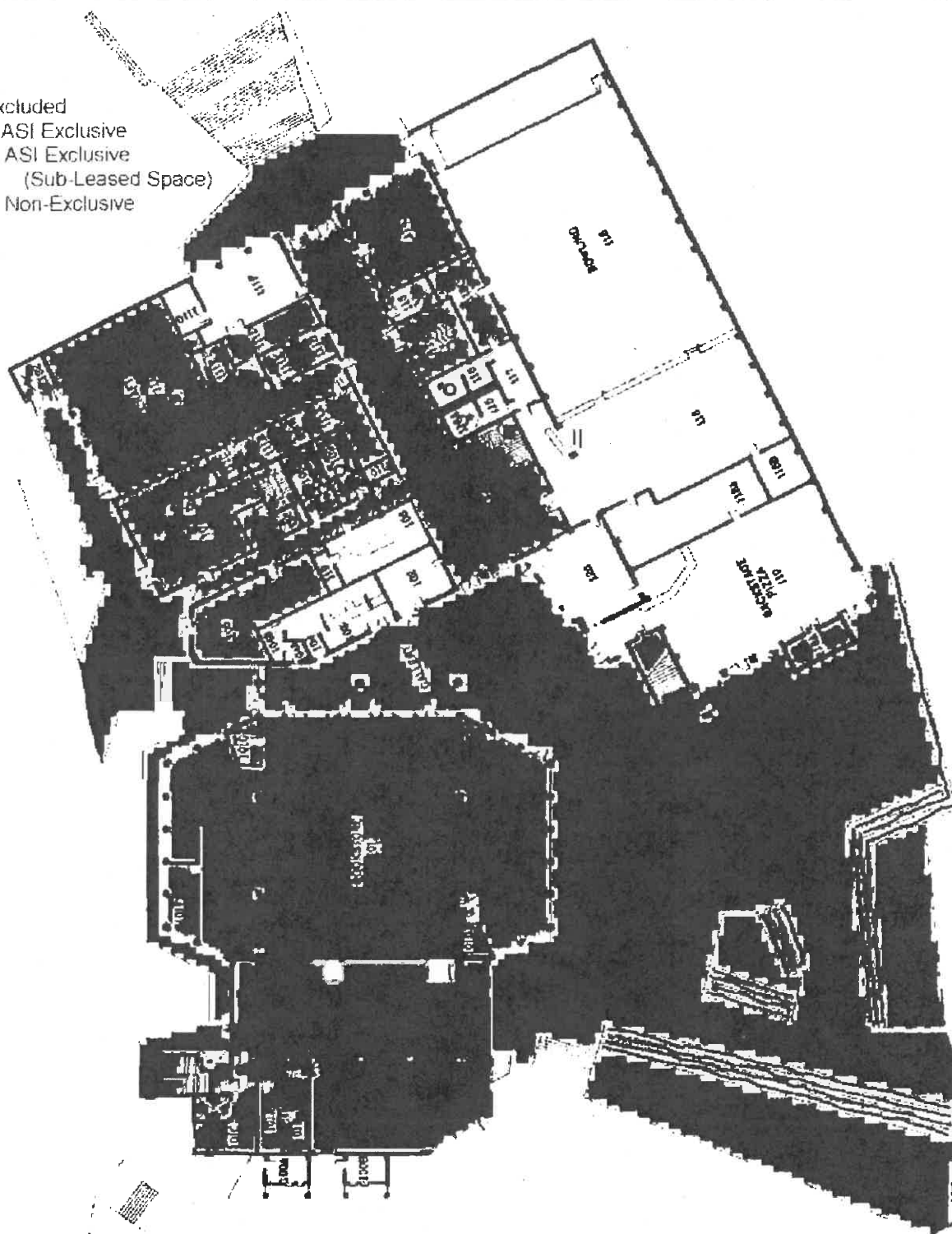
Trustees of The California State University

By [Signature]
Tom Roberts,
Director, Contract Services & Procurement

Red - Excluded
Green - ASI Exclusive
Yellow - ASI Exclusive
(Sub-Leased Space)
Purple - Non Exclusive



Red - Excluded
 Green - ASI Exclusive
 Yellow - ASI Exclusive
 (Sub-Leased Space)
 Purple - Non-Exclusive



CAL POLY
 SAN LUIS OBISPO

**Julian A. McPhee
 University Union**

FLOOR 1
www.facilities.calpoly.edu

065 0 01/04/2004 01:48:22 PM

01/04/2004 01:48:22 PM



1"=30'