

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND
ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and Associate Students of California State University, Chico (Auxiliary) serving California State University Chico (Campus). The term of this agreement shall be **July 1, 2023** and continue through **June 30, 2028**. This agreement shall replace operating agreement fully signed on December 30, 2015.

1. PURPOSE

The purpose of this agreement is to set forth the terms and conditions under which Auxiliary may operate as an auxiliary organization pursuant to California Education Code §89900 et seq. and California Code of Regulations (CCR) Title 5, § 42400 et seq. 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 FUNCTION(S) OF THE AUXILIARY

In consideration of receiving recognition as an official CSU auxiliary organization, Auxiliary agrees, for the period covered by this agreement, that the primary function(s), which the Auxiliary is to manage, operate or administer is/are:

- Student Body Organization
- Student Union

In carrying out the above, the Auxiliary engages in the following functions authorized by, CCR tit.5, §42500, which are activities essential and integral to the educational mission of the University:

1. Student Body Organization Programs, which includes the operation of a physical fitness facility
2. Bookstores, Food Services, and Campus Services (either directly or through a third party contractual relationship as approved by the campus), Food Services (including catering, concession, and vending) and Campus Services including a Children's Center (facility use only)
3. Student Union Programs

Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus. Auxiliary further agrees that it shall not perform any of the functions listed in CCR tit.5, §42500 unless the function has been specifically assigned in this operating agreement with the Campus. Prior to initiating any additional functions, Auxiliary understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 21, *Amendment*.

3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

The responsibility and authority of the Campus president regarding auxiliary organizations is set forth in CCR tit.5, §42402, which requires that auxiliary organizations operate in conformity with CSU and Campus policies. The Campus President has been delegated authority by the CSU Board of Trustees (Standing Orders §VI) to carry out all necessary functions for the operation of the Campus. The operations and activities of Auxiliary under this agreement shall be integrated with Campus operations and policies and shall be overseen by the campus Chief Financial Officer (CFO) or designee so as to assure compliance with objectives stated in CCR tit.5, §42401.

The Campus shall review Auxiliary to ensure that the written operating agreement is current and that the activities of Auxiliary are in compliance with this agreement at least every five (5) years from the date the operating 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 the Campus CFO or designee to the Campus President with a copy to the Chancellor's Office, certifying that the review has been conducted. As part of these periodic reviews, the Campus President should examine the need for each auxiliary and look at the efficiency of the auxiliary operation and administration.

Auxiliary agrees to assist the Campus CFO or designee in carrying out the compliance and operational reviews required by applicable CSU Executive Orders and related policies.

4. OPERATIONAL COMPLIANCE

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

5. CONFLICT OF INTEREST

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

Auxiliary has established and will maintain a conflict of interest policy. The Auxiliary's Conflict of Interest Policy is attached as **Attachment 1**.

6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS

With respect to expenditures for public relations or other purposes which would serve to augment appropriations for CSU operations, Auxiliary may expend funds in such amount and for such purposes as are approved by Auxiliary's governing body. Auxiliary shall file, as **Attachment 2** to this agreement, a statement of Auxiliary'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

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

The Campus CFO shall annually review, and submit a written evaluation to the Chancellor's Office in accordance with Section 20, Notices, of the external audit firm selected by the Auxiliary. This review by the Campus CFO must be conducted prior to the Auxiliary engaging an external audit firm and annually thereafter. If the Auxiliary 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 NAME

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

Auxiliary shall use the name of Campus, logo, seal or other symbols or marks of Campus only in connection with services rendered for the benefit of Campus and in accordance with Campus guidance and direction furnished to Auxiliary by Campus and only if the nature and quality of the services with which the Campus name, logo, seal or other symbol or mark are used are satisfactory to the Campus or as specified by Campus.

Campus shall exercise control over and shall be the sole judge of whether Auxiliary has met or is meeting the standards of quality of the Campus for use of its name, logo, seal or other symbol or mark.

Auxiliary shall not delegate the authority to use the Campus name, logo, seal or other symbol or mark to any person or entity without the prior written approval of the Campus President or designee. Auxiliary shall cease using the Campus name, logo, seal or other symbol or mark upon expiration or termination of this agreement, or if Auxiliary ceases to be a CSU auxiliary organization in good standing, dissolves or disappears in a merger.

9. CHANGE OR MODIFICATION OF CORPORATE STATUS

Auxiliary shall provide notice to the CSU upon any change in Auxiliary'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., Auxiliary 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. Auxiliary shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by the CSU.

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 systemwide 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 3** is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which, in accordance with CCR tit.5, §42600, establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed *to the CSU or to another affiliated entity subject to financial accounting and reporting standards issued by the Government Accounting Standards Board*. Auxiliary agrees to maintain this provision as part of its Constitution or Articles of Incorporation. In the event Auxiliary 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

Auxiliary may use those facilities identified for its use in a lease agreement executed between Campus and Auxiliary. If this Operating Agreement terminates or expires and is not renewed within 30 days of the expiration, the lease automatically terminates, unless extended in writing by the parties.

Auxiliary and Campus may agree that Auxiliary may use specified Campus facilities and resources for research projects and for institutes, workshops, and conferences only when such use does not interfere with the instructional program of Campus and upon the written approval from appropriate Campus administrators with such specific delegated authority. Auxiliary shall reimburse Campus 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

Auxiliary agrees to comply with CSU and Campus 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; Executive Order 1059.

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

Auxiliary agrees, if authorized to do so in Section 2 above, that it will accept and administer gifts, grants, contracts, scholarships, loan funds, fellowships, bequests, and devises in accordance with policies of CSU and Campus.

A. Authority to Accept Gifts

If authorized, Auxiliary may evaluate and accept gifts, bequests and personal property on behalf of CSU. In acting pursuant to this delegation, due diligence shall be performed to ensure that all gifts accepted will aid in carrying out the CSU mission as specified in Education Code §§89720 and 66010.4(b).

Auxiliary agrees, before accepting gifts of real estate or gifts with any restrictive terms or conditions that impose an obligation on CSU or the State of California to expend resources in addition to the gift, to obtain written approval from the appropriate campus authority. Auxiliary agrees that it will not accept a gift that has any restriction that is unlawful.

B. Reporting Standards

Gifts shall be recorded in compliance with the Council for Advancement and Support of Education and California State University reporting standards and shall be reported to the Chancellor's Office on an annual basis in accordance with Education Code §89720.

18. INDEMNIFICATION

Auxiliary agrees to indemnify, defend and save harmless the CSU, 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 Auxiliary as an auxiliary organization.

19. INSURANCE

Auxiliary shall maintain insurance protecting the CSU and Campus 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. Auxiliary agrees to maintain at least these minimum insurance requirements.

Auxiliary'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 Auxiliary's operations). Auxiliary 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:

Executive Director
Associated Students of California State University, Chico
Chico, CA 95929-0757

Notice to the Trustees shall be addressed to:

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

Notice to the University shall be addressed as follows:

Vice President, Business and Finance
California State University, Chico
400 West 1st Street
Chico, CA 95929-0025

Notice to the University shall be addressed as follows:

Procurement & Contract Services
California State University, Chico
400 West 1st Street
Chico, CA 95929-0244

21. AMENDMENT

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

22. RECORDS

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

23. TERMINATION

CSU may terminate this agreement upon Auxiliary's breach of or failure to comply with any term of this agreement by providing Auxiliary with a minimum of ninety (90) days advance written notice. Auxiliary may use the ninety-day advance notice period to cure

the breach. If, in the judgment of CSU, the breach has been cured, the termination notice will be cancelled.

24. REMEDIES UPON TERMINATION

Termination by CSU of this agreement pursuant to Section 23, *Termination*, may result in Auxiliary's removal, suspension or probation as a CSU auxiliary in good standing, and loss of any right for Auxiliary to use the name, resources or facilities of CSU 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.

25. 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.

26. LEASE OF PREMISES

CSU hereby leases to Auxiliary the following premises described as follows:

a. Student Union

The buildings and land, including equipment therein, together with appurtenances, rights, privileges, and easements thereunto belonging or appertaining, on the campus of California State University, Chico, located in or near the City of Chico, County of Butte, State of California, and more specifically described as Block 57, shown on City of Chico M.O.R. wall map no. II, according to the Official Map on file in the Office of the Recorder, Butte County, California, and the easterly 45' of Hazel Street, the southerly 25' of West First Street, and the westerly 45' of Chestnut Street, vacated in Book 1638, Page 319, where said streets are adjacent to Block 57. Said property is commonly known as the Bell Memorial Union (BMU)/AS Bookstore building.

University agrees to allow Auxiliary to sublease space designated for ATM operation in areas of the BMU and its Bookstore, which includes the space currently used by the Bookstore unless otherwise mutually agreed.

b. Childcare Center

The Trustees agree to hereby lease to Associated Students of California State University, Chico the following buildings at no charge. In exchange for the following space, Associated Students agrees to provide child care services for student parents, and, on a space available basis for faculty and staff parents. Such childcare services shall be of a quality satisfactory to the University. The location of childcare center is as follows:

Space designations located within and/or contiguous to:

Aymer Jay Hamilton Building –

- Rm 110 – Infant classroom
- Rm 119 – Preschool classroom
- Rm 119A - Kitchen
- Rm 120A to D – Administrative office space
- Rm 121 – Infant classroom
- Outdoor playground space adjacent to classroom areas

Space designations located within and/or contiguous to:

Modoc Hall –

- Rm 125 & 125A – Child Development student preparation space
- Rm 125B – Teacher’s Office
- Rm 125C – Conference Room
- Rm 127 – Observation Booth

c. Wildcat Recreation Center

The buildings and land, including equipment therein, together with appurtenances, rights, privileges, and easements thereunto belonging or appertaining, on the campus of California State University, Chico, located in or near the City of Chico, County of Butte, State of California, all that certain real property as shown on the Official Map of the City of Chico, recorded in the Office of the Recorder of the County of Butte, State of California, on January 19, 1963, in Book 1 of Maps, at Page 43, and more particularly described as beginning at the point of intersection of the southeast line of First Street with the southwest line of Cherry Street as shown of said map; thence southeasterly along said southwest line of Cherry Street to its point of intersection with the northwest line of Second Street, being also the most easterly corner of said Block 60; thence southwesterly on said northwest line of Second Street to its point of intersections with the northeast line of Orange Street, being also the most southerly corner of said Block 60; thence continuing southwesterly along said northwest line of Second Street to its point of intersection with the southwest line of Orange Street, being also the most easterly corner of Block 61 of said City map and the most easterly corner of that certain parcel deeded to the Trustees of the California State University by David A. Everett and Christine Everett, described in the Grant Deed recorded April 13, 2001, Document Number 2001-0012675; thence continuing southwesterly along said northwest line of Second Street being also the southeast line of said Grant Deed parcel, to the most southerly corner of said Grant Deed parcel; said line being 25.00 feet northeast of and parallel to the centerline of the Southern Pacific railroad tracks and the southwest line of said Grant Deed parcel, to a point in the southeast line of First Street, said point being also the most westerly corner of said Grant Deed parcel; thence northeasterly along said southeast line of First Street, said line being also the northwest line of said Grant Deed parcel, to its point of intersection with the southwest line of Orange Street, being also the most northerly corner of said Grant Deed parcel and of Block 61; thence continuing northeasterly along said southeast line of First Street to its point of intersection with the northeast line

of Orange Street, being also the most westerly corner of Block 60; thence continuing northeasterly along said southeast line of First Street to the Point of Beginning.

d. Butte Station

The building identified as Butte Station on the California State University, Chico campus. Building footprint is approximately 1,200 square feet and is located on the east side of Plumas Hall and the south side of Tehama Hall. All costs for the operation and maintenance of Butte Station shall be the responsibility of the Auxiliary. Utility and maintenance costs will be addressed by separate agreement.

The lease of the premises is subject to:

- A. The use of the property for civil defense purposes or in the event of a State, CSU or national emergency.
- B. Unanticipated need to meet the demands of the educational objectives of the CSU. The right to the use of any property included in this lease shall cease upon written notice by the CSU to Auxiliary that the property is needed for its exclusive use.

27. USE OF PREMISES

A. Auxiliary may occupy, operate, and use the leased property only in connection with the following functions and activities in accordance with the terms of this agreement:

- 1) Operating and maintaining a student union facility for the students, faculty, staff, alumni, and guests of the campus.
- 2) Operating a child care facility
- 3) Utilize the facilities for the following functions and activities:
 - a. Student Body Organization programs
 - b. Student Union Programs
 - c. Auxiliary Administrative Offices
 - d. Student Union Building Management
 - e. Bookstore Operations – either directly or through a third party contractual relationship which shall be reviewed and approved by the campus
 - f. Food Services including catering either directly or through a third party contractual relationship which shall be reviewed and approved by the campus
 - g. Vending Services
 - h. University Student Activities Office

B. Auxiliary shall use the leased property only for functions and activities that are consistent with the Functions established in Section 2 and guidelines and policies that have been or may hereafter be adopted by CSU.

28. CONSIDERATION

A. Auxiliary shall operate as an auxiliary organization as set forth in this agreement.

B. Auxiliary shall manage and operate the student union facilities in accordance with the bond indenture, the policies of the CSU, Campus, this agreement, and for the benefit of Campus.

29. APPLICATION OF STUDENT UNION FEES

A. Pursuant to the CSU Systemwide Revenue Bond program, retirement of the debt incurred by CSU for the construction of the student union is to come from a mandatory student union fee to be paid by all enrolled students. After required funds have been set aside for debt service and all reserves, CSU agrees to make available to Auxiliary a portion of any remaining funds, as authorized by Education Code, Section 90076. CSU agrees to transfer such funds, if any, in the Student Union Net Revenue Fund account and/or applicable Trust Fund account, in the following circumstances:

- 1) Auxiliary shall be entitled to a transfer of 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 campus' Chief Financial Officer or designated staff subject to the availability of such funds.
- 2) Additional transfers of revenue may be made for extraordinary expenses as requested by Auxiliary and approved by the campus' Chief Financial Officer or designated staff, subject to the availability of funds.

B. This Section shall be subject to and construed in conformity with the Indenture of the Trustees of the CSU adopted April 1, 2002 authorizing the issuance of Systemwide Revenue Bonds and made a part of this agreement.

30. BUILDINGS, SIGNS, FIXTURES, AND EQUIPMENT

During the term of this Agreement, Auxiliary shall have the right to erect, place, and attach buildings, fixtures, signs, and equipment in and upon the leased property. Plans and working drawings for buildings to be placed on the leased land shall have prior approval of CSU. The number, size, and location of signs are subject to prior written approval of the Campus. Fixtures, signs, and equipment so erected, placed, or attached by the Auxiliary shall be and remain the property of the Auxiliary and may be removed there from by the Auxiliary prior to the termination of this lease.

31. ALTERATIONS

The leased premises shall not be altered or changed in any manner or respect without the written consent of the Campus, and changes that may be authorized shall be made under the direction of the Campus and at the expense of Auxiliary. Permanent alterations shall have prior approval of Campus.

32. RIGHT OF ENTRY

It is understood and agreed that at any time CSU and its agents shall have the right to enter the leased premises or any part thereof for the purpose of examination or supervision.

Care, maintenance, and repair of the leased property shall be provided as follows:

A. Care and Maintenance: Auxiliary agrees to keep and maintain the leased property in a clean and orderly condition and shall at its own expense, at reasonably frequent intervals, and in a lawful manner dispose of all waste from the leased property.

B. Repairs: Auxiliary agrees to keep the leased premises in good repair.

33. RESTORATION OF PREMISES

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

But, if Auxiliary shall fail to do so within 90 days after CSU's option, CSU 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 State. CSU shall have the right to exercise this option within 30 days after the expiration of this lease, but not thereafter.

34. MORTGAGES

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

35. POSSESSORY INTEREST

The County Assessor may value the possessory interest created by this lease, or any subleases. Under California Revenue and Taxation Code section 107, a property interest tax may be levied on that possessory interest. The lessee is obligated to pay this property tax, and failure to do so may be considered a material breach of the lease."

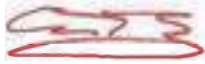
36. ASSIGNMENTS OR SUBLEASE

Auxiliary shall not assign or sublease any part of the premises covered by this lease without the written permission of CSU.


CSU agrees, however, that Auxiliary may sublease any portion of the premises with the approval of the Campus. Substantial deviation from CSU’s policy and model sub-leases requires the approval of the Campus.


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.

California State University, Chico

By  Jul 6, 2023
Steve Perez
President

**Associated Students
California State University, Chico**

By  Jul 6, 2023
Curtis Sicheneder
Interim Executive Director

By  Jul 6, 2023
Autumn Alaniz
Associated Students President

**California State University
Office of the Chancellor
Contract Services and Procurement**

By  Jul 7, 2023
Bradley Wells

ATTACHMENTS:

- Attachment 1 - Conflict of Interest Policy
- Attachment 2 - Accumulation and use of public Relations funds Policy
- Attachment 3 - Restated Articles of Incorporation

CONFLICT OF INTEREST POLICY

I. NAME

This document shall be called the Conflict of Interest Policy.

II. PURPOSE

This policy is, and will be in effect in order to define a procedure that will act as a safeguard against a conflict of interest that might occur at some future point in time between an Associated Students (AS) Director, Commissioner, Executive Officer, Coordinator, Board, Committee and Council member, employee or program and an external entity.

III. DATE OF EFFECTIVENESS

This policy shall be effective upon approval of the AS Board of Directors (BOD).

IV. AMENDMENTS

This policy may be amended by a 2/3 vote of the AS BOD.

V. GUIDELINES

- A. Under the California Corporation Code, Section 820, Directors, Officers and employees or programs shall exercise their powers in good faith and with a view to the interest of the Corporation, therefore subordinating their individual and private interests to their duty with the Corporation whenever the two parties conflict
- B. No members of the AS BOD, standing committees, or direct appointees of said Board, committee or council shall be financially interested in any contract or other transaction entered into by the AS. Any contract or transaction entered into in violation of this section is void. As provided by the California Education Code, Section 24059, an exception to this aforementioned rule calls for an adequate disclosure of the individual's financial interest to the BOD, if there is sufficient vote to ratify without counting votes of those financially interested, and the contract is just and reasonable of the case in question. Section 24060 limits the scope of this exception. Essentially, the only type of contract an auxiliary organization may enter into with an organization in which a member of the Board is financially interested is the case when the Board member owns less than five percent of the common stock of the other contracting party and discloses this fact before the contract is discussed by the Board of the auxiliary organization.
- C. No Director, Officer, employee or program may accept gifts of any significant value or nature from current vendors or those seeking to do business with the AS. They will also avoid a conflict of interest in relations with vendors, contractors and consultants doing business with, or seeking to do business with, the AS.
- D. No employee or member of any program will be allowed to use confidential information gained through their position for his/her personal gain.
- E. No AS office or other facility, supplies or assets may be used in any way for the development, administration or advancement of any program(s), campaign(s), or activity(ies) which are not officially endorsed or sponsored (solely or in part) by the AS.
- F. No program or employee of the AS may endorse any candidate (local, state or national) using his/her title or position within the AS organization. Nor may any non-student employee of the AS endorse candidates for AS elections.

PUBLIC RELATIONS FUNDS SOURCE AND USE POLICY**I. NAME**

This document shall be called the Public Relations Funds Source and Use Policy.

II. PURPOSE

Per Title 5 California Code of Regulations (section sign)42502(i), each auxiliary organization shall maintain a policy on the "accumulation and use of public relations funds if such funds are obtained and used by the auxiliary organization to augment State appropriations for public relations." The policy must include "... the policy and procedures on solicitation of funds, source of funds, amounts, and purpose for which the funds will be used, allowable expenditures, and procedures of control."

III. DATE OF EFFECTIVENESS

This policy shall be effective upon approval of the Associated Students (AS) Board of Directors (BOD).

IV. AMMENDMENTS

This policy may be amended by a 2/3 majority vote of the AS BOD.

V. POLICY

The AS does not solicit public relations funds, and does not annually budget for funds to be available to augment public relations purposes.

VI. GUIDELINES**A. Source of Public Relations Funds**

Public Relations funds when expended may be sourced from AS-held Discretionary or Restricted Funds. These funds may be derived from various sources including corporate auxiliary revenues, donations, or the proceeds from the sale of non-cash gifts made to the AS. Expenditures from Discretionary or Restricted Funds must clearly advance the objectives of the campus and the California State University, and that are consistent with applicable procurement and accounting practices. In general, expenditures must be appropriate for campus authorized educational, social, development, hospitality, community and employee relations, employee business travel and related considerations, student aid, and for other purposes that benefit California State University or the campus. All expenditures from a Restricted Fund must be clearly consistent with the restricted purpose.

B. Procedures

Any expenditure of AS funds for purpose of public relations shall only be by the approval of the AS BOD and University President. The source of funds would be any Discretionary or Restricted Fund account that is available for this purpose. Pursuant to the AS's purchasing policies and procedures, the request shall be accompanied by appropriate supporting documentation, with dates, purpose and individuals or groups involved, location, and amounts clearly stated and any other requirements.

C. Policy Filing

AS shall file a copy of this Policy with the Chancellor's Office per the requirements of Title 5 California Code of Regulations. (section sign)42502(i).

APPROVED BOD: 11/19/03

A0733583

Attachment III
ENDORSED - FILED
in the office of the Secretary of State
of the State of California

SEP 28 2012

RESTATED ARTICLES OF INCORPORATION

JAYPINDERPAL VIRDEE and MICHAEL BARRETT certify that:

1. They are the president and the secretary, respectively, of ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO, a California corporation.
2. The articles of incorporation of this corporation are amended and restated to read as follows:

RESTATED ARTICLES OF INCORPORATION OF ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, CHICO

I

The name of this corporation is ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO.

II

- a. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the nonprofit public benefit corporation law for charitable purposes.
- b. The specific purposes of this corporation are to provide for student self government, to provide essential activities closely related to but not normally included as a part of the regular instructional programs of the California State University, Chico campus, and to promote the educational effectiveness, academic excellence and general welfare of the California State University, Chico campus.

III

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

IV

The property of this corporation is irrevocably dedicated to charitable 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 director, officer, or member thereof or to the benefit of any private person. Upon the dissolution and winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, other than trust funds, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes, which has established its tax exempt status under section 501 (c) (3) of the Internal Revenue Code, and which has been approved by the president of California State University, Chico and by the Chancellor of the California State University.

V

This corporation elects to be governed by all of the provisions of the nonprofit corporation law of 1980 not otherwise applicable to it under Part 5 thereof.

3. The foregoing amendment and restatement of articles of incorporation has been duly approved by the board of directors.

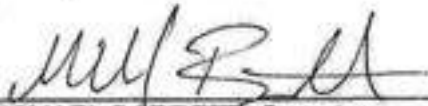
4. The foregoing amendment and restatement of articles of incorporation has been duly approved by the required vote of members.

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

September 24, 2012.



JAYPINDERPAL VIRDEE, President



MICHAEL BARRETT, Secretary

[Faint, illegible text and circular stamp]



I hereby certify that the foregoing
transcript of 3 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

OCT 17 2012

Date: _____

Debra Bowen
DEBRA BOWEN, Secretary of State

**AMENDMENT #1 TO OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND
ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**

Operating Agreement with a term of July 1, 2023 through June 30, 2028 is hereby amended to add an additional location to the lease of premises.

Section 26. **LEASE OF PREMISES** is amended to add the following location:

e. Behavioral & Social Sciences Café

The building identified as the Behavioral & Social Sciences building (construction completed in 2024) on the California State University, Chico campus room 124 (consisting of 124, 124A-C – and approximately 100 square feet) shall be leased for the purpose of operation of a coffee shop. Auxiliary will supply all equipment necessary for operation and will either perform or license the space to a vendor. All management, maintenance, and operation of the space shall be the responsibility of the Auxiliary. Specifically, the maintenance of the space shall be as follows:

1. Floors

- *Sweep or vacuum all floor areas, including mats, daily to remove large debris such as paper towels, sanitizing rags, and lids.*
- *Mop all floor surfaces in the designated café area (from start of gated closure to back of house) daily until clean and free of marks and debris.*
- *Use the designated mop bucket, mop head, and handle located in the Custodial Closet nearest the front entrance of the building.*
- *Fill the mop bucket with the appropriate chemical floor cleaner and transport it to the café space for use.*
- *After use, return all cleaning equipment to the Custodial Closet, ensuring items are cleaned, rinsed, and any residual water or debris is removed and dried.*
- *Store any supplemental cleaning supplies on the bottom storage rack of the Custodial Closet in a clean and organized manner.*


2. Tables and Seating Area

- *Keep all table surfaces clean and sanitized during operational hours.*
- *Clean the tables and seating areas periodically throughout the day and at the close of each business day.*


Utility costs will be addressed in a separate agreement.


All other terms and conditions of the original agreement shall remain in full force and effect.

California State University, Chico

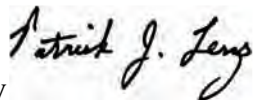
By 
Steve Perez
President

**Associated Students
California State University, Chico**

By 
Jon Simmons
Interim Executive Director

By 
Lisa Saunders (Apr 6, 2026 11:31:24 PDT)
Associated Students President

**California State University
Office of the Chancellor
Office of the Executive Vice Chancellor**

By 
Patrick J. Leng

**AMENDMENT #2 TO OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND
ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**

Operating Agreement with a term of July 1, 2023 through June 30, 2028 is hereby amended to add an additional location to the lease of premises.

Section 26. **LEASE OF PREMISES** is amended to add the following location:

f. Holt Station

The building identified as Holt Station, located on the California State University, Chico campus. Building footprint is approximately 225 square feet and is located on the south side of Holt Hall. All costs for operating and maintenance of Holt Station shall be the responsibility of the Auxiliary. Utility and maintenance costs will be addressed by separate agreements.

Any and all costs associated with remodeling, renovations, alterations, improvements, or tenant improvements to Holt Station—including but not limited to design, construction, accessibility upgrades, and restorations shall be the sole responsibility of the Auxiliary. Such work shall be coordinated and overseen by the University to ensure compliance with all applicable CSU policies, campus standards, building codes, and state and federal regulations. The University shall have no financial obligation for any such improvements unless expressly agreed to in writing.


Any outdoor use associated with Holt Station, including but not limited to seating, equipment placement, storage, queuing, displays, or temporary structures, shall not impede or interfere with fire lanes, emergency vehicle access, required egress pathways, ADA access routes, building entrances or exits, fire protection systems, or life-safety clearances. All such use must comply with applicable fire and life safety codes, CSU policy, campus standards, and the requirements of the State Fire Marshal. The University reserves the right to require modification or removal of any outdoor use that, in its sole determination, creates a safety hazard or code compliance issue.

California State University, Chico

By 

Steve Perez, President

**Associated Students
California State University, Chico**

By 
Jon Simmons (Mar 19, 2026 12:35:28 PDT)

Jon Simmons
Interim Executive Director

By *Tia Saunders*
Tia Saunders (Mar 22, 2026 22:26:15 PDT)

Associated Students President

California State University
Office of the Chancellor
Office of the Executive Vice Chancellor

By *Patrick J. Long*