

**AMENDMENT #4**  
*to*  
**OPERATING AGREEMENT AND LEASE**  
*between*  
**THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**  
*and*  
**THE UNIVERSITY CORPORATION**

This Amendment to the Operating Agreement and Lease ("Amendment") is made as of the 28<sup>th</sup> day of April, 2017, between The University Corporation ("Auxiliary") and the Trustees of the California State University, acting by and through California State University, Northridge ("University"), with reference to the following facts:

- A. Auxiliary and University are parties to that certain Operating Agreement and Lease ("Lease") dated July 29, 1996, pursuant to which University leases to Corporation approximately 35,481 square feet of space on the first floor of the Matador Bookstore Complex ("Bookstore Building"), at California State University, Northridge, located south of Prairie Avenue and west of Lindley Street in Northridge, California.
- B. On July 25, 2000, University and Auxiliary executed Amendment #1 which, among other things, leased to Auxiliary an additional 11,038 square feet on the southeast corner of Bookstore Building, said office space formerly occupied primarily by the University's Financial Aid office.
- C. On June 14, 2004, University and Auxiliary executed Amendment #2 which is not affected by this Amendment.
- D. Effective July 1, 2006, University and Auxiliary executed Amendment #3 which is not affected by this Amendment.

**RECITALS:**

WHEREAS, the First Amendment to the Operating Agreement dated July 25, 2000 University leased to Auxiliary an additional 11,038 square feet on the southeast corner of the Bookstore Building which included that portion of the premises known as the "Extended Learning Space;" and

WHEREAS, said Extended Learning Space is an additional 7,886 square feet of office space on the southeast corner of the Bookstore Building of said office space formerly occupied by the University's Financial Aid Office as outlined on the attached schematic labeled Attachment A hereto; and

WHEREAS, the Lease for the Extended Learning Space expired on July 1, 2005 and automatically renewed for one year successive terms thereafter; and

WHEREAS, Extended Learning vacated the space on July 1, 2016; and the current successive one year term expired July 1, 2016; and

WHEREAS, the Auxiliary leased the premises formerly known as the Extended Learning Space to the University (University Space) on September 8, 2016; and

WHEREAS, Auxiliary desires to surrender that portion of the premises known as the University Space to the University and to terminate any lease obligations between the parties to the University Space,

NOW, THEREFORE, the parties agree as follows:

Terms of Surrender:

1. Auxiliary hereby agrees to surrender the Lease on that portion of the premises identified as the University Space and to deliver possession to the University as of midnight, 12:00 p.m., Pacific Daylight Time, July 1, 2017 ("Turnover Date").
2. Auxiliary shall remove any and all of its personal property from the University Space and shall deliver the premises to the University in its "as is" condition.
3. The University agrees to accept the premises and possession thereof in its "as is" condition as of the Turnover Date. Upon delivery of possession, the University shall be solely responsible for the University Space premises, including all required maintenance, improvements, capital improvements, its condition, as well as any personal property of any third parties which may remain on the premises as of the Turnover Date, and Auxiliary shall have no future obligations regarding same or related to the University Space.
4. Auxiliary shall not be responsible to undertake any repairs, modifications, or upgrades to the premises being delivered.
5. Any obligation of Auxiliary under the Operating Agreement, the Lease, and any Amendment thereto related to the University Space, is hereby terminated as of the Turnover Date.
6. University agrees to assume all future deferred maintenance costs, life cycle long term costs, and any other major capital projects related to the University Space.
7. Except as provided in this Amendment #4, the Lease and all other prior Amendments shall remain in full force and effect and are unmodified by this Amendment.

Dated: 4/28/17

The University Corporation (Auxiliary)

By 

Rick Evans, Executive Director

California State University, Northridge

Dated: 4/28/17

By 

Colin Donahue, Vice President  
Administration of Finance

Dated: 4/28/17

  
Trustees of the California State University



AMENDMENT #3  
*to*  
OPERATING AGREEMENT AND LEASE  
*between*  
THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY  
*and*  
THE UNIVERSITY CORPORATION

This amendment to the Operating Agreement and Lease ("Amendment") is made as of the 1<sup>st</sup> day of July 2006, between The University Corporation ("Auxiliary") and the Trustees of the California State University, acting by and through California State University, Northridge ("University"), with reference to the following facts:

- A. Auxiliary and University are parties to that certain Operating Agreement and Lease ("Lease") dated July 29, 1996, pursuant to which University leases to Corporation approximately 35, 481 square feet of space on the first floor of the Matador Bookstore Complex ("Bookstore Building"), at California State University, Northridge, located south of Prairie Avenue and west of Lindley Street in Northridge, California.
- B. On July 25, 2000, University and Auxiliary executed Amendment #1 which, among other things, leased to Auxiliary an additional 11,038 square feet on the southeast corner of Bookstore Building, said office space formerly occupied primarily by the University's Financial Aid Office.
- C. On June 14, 2004, University and Auxiliary executed Amendment #2 which is not effected by this Amendment.

C.  
Section 16 – **Term of Lease**, Paragraph 1 of the original lease is hereby modified in its entirety to read as follows:

Unless otherwise provided, and with the exception the former Financial Aid space added to the lease by Amendment #1 and identified in paragraph A above, which will expire July 1, 2011 and automatically renew for one-year terms thereafter unless terminated by either party, this operating agreement and lease is for the term beginning on July 1, 1996, and ending on the thirtieth day of June, 2026, unless sooner terminated as herein provided.

Except as provided in this Amendment, the Lease shall remain in full force and effect.

Amendment #3 to Operating Agreement and Lease between  
The Trustees of the California State University and  
The University Corporation


In witness whereof, this Amendment to the Operating Agreement and Lease has been  
executed in triplicate by the parties hereto.

Executed on June 9<sup>th</sup>, 2006


NORTHRIDGE  
Executed on June 9 2006

STATE UNIVERSITY  
Executed on June 15 2006

THE UNIVERSITY CORPORATION

  
Thomas McCarron, Executive Director

CALIFORNIA STATE UNIVERSITY,

  
Mohammad Qayoumi, Vice President  
Administration and Finance

TRUSTEES OF THE CALIFORNIA



**AMENDMENT #2**  
*to*  
**OPERATING AGREEMENT AND LEASE**  
*between*  
**THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**  
*and*  
**THE UNIVERSITY CORPORATION**

This Amendment #2 to the Operating Agreement and Lease executed on July 29, 1996 and Amendment executed on July 25, 2000, between the Trustees of the California State University by their duly qualified and acting Chancellor ("Trustees") and The University Corporation ("Auxiliary"), is made as of this 15th day of April 2004, with reference to the following facts:

Paragraph 2.1 is replaced with the following:

- 2.1 In consideration of receiving recognition as an official auxiliary organization of The California State University, Auxiliary may, for the period covered herein, perform the following functions as specified in Section 42500, Title 5, California Code of Regulations:
- a. Book Stores, Food Services and Campus Services including but not limited to; Licensing of University facilities, Reprographics, Publishing, Printing and Copier Services
  - b. Reprographics, Publishing, Printing and Copier Services
  - c. Housing
  - d. Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance
  - e. Externally Funded Projects including Research, Workshops, Conferences, and Institutes including Post Award Administration of Sponsored Projects more fully described in Exhibit A, incorporated by reference and made a part of this agreement
  - f. Instructionally related Programs and activities
  - g. Gifts, Bequests, devises, endowments, trusts, and similar funds
  - h. Acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities

Paragraph 3.2 is deleted and Paragraph 3.3 is renumbered to be 3.2

Section 13 is replaced with the following:

13. Charges for Facilities & Services Provided by the State.

Auxiliary agrees to reimburse State for expenses incurred by State as the result of Auxiliary's activities under this agreement. Reimbursement shall be for items including, but not limited to rentals, campus services, and the indirect costs. Reimbursement shall be on a simple but equitable basis and in accordance with the policies for reimbursement of costs as established by State. Auxiliary agrees to make reimbursement within 30 days from receipt of notice of such determination.



Section 25 is replaced in its entirety with this Section.

25. Insurance

- A. Auxiliary shall maintain in force during the term of this Agreement and all extensions thereof liability insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Auxiliary, its agents, representatives, employees or subcontractors.
- B. Minimum Scope of Insurance Coverage shall be at least as broad as:
- 1) Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
  - 2) Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto).
  - 3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
  - 4) "All Risk" Property Insurance with applicable limits for all property that the University has an insurable interest in.

C. Minimum Limits of Insurance

Auxiliary shall maintain limits no less than:

- 1) General Liability: \$1,000,000 per occurrence; \$2,000,000 General Aggregate for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
  - 2) Business Automobile Liability minimum limits for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined limit of not less than \$1,000,000 per occurrence.
  - 3) Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
  - 4) Property Insurance: Full replacement of insured property.
- D. Deductibles and Self-Insured Retentions
- Any deductibles or self-insured retentions 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, its trustees, officers, employees and volunteers; or the Auxiliary shall provide a financial guarantee satisfactory to the University guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- E. Other Insurance Provisions
- The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
- 1) The State of California, the Trustees of the California State University, California State University, Northridge, and the officers, agents, employees and volunteers of each of them are to be covered as additional insureds with respect to liability arising out of automobiles owned,

leased, hired or borrowed by or on behalf of the Auxiliary; and with respect to liability arising out of work or operations performed by or on behalf of the Auxiliary including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Auxiliary's insurance, or as a separate owner's policy.

- 2) For any claims related to a project, the Auxiliary's insurance coverage shall be primary insurance as respects the University, its trustees, officers, employees, and volunteers. Any insurance or self-insurance maintained by the University, its trustees, officers, employees, or volunteers shall be excess of the Auxiliary's insurance and shall not contribute with it.
- 3) A thirty (30) day written notice by certified mail to the University before any cancellation or change in coverage, scope or amount of policy.
- 4) All rights of subrogation under the insurance policies of each Party have been waived against the other Party.

F. Acceptability of Insurers

Insurance is to be placed with insurers with a current AM. Best's rating of no less than A:VII.

G. 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' forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be deposited with the University within thirty (30) days after execution of this agreement and, on renewal of the policy, not less than thirty (30) days before the expiration of the term of the policy. The University reserves the right to receive complete, certified copies of all required insurance policies, including endorsements.

H. Subcontractors

Auxiliary shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Paragraph 26 is replaced in its entirety with the following:

26. Indemnification

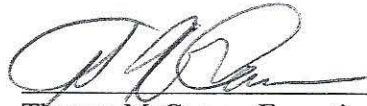
Auxiliary agrees to indemnify, defend, and save harmless the State of California, the Trustees of the California State University, Chancellor, and California State University, Northridge, their officers, agents and employees of each of them from any and all claims of any nature, including death, loss, damage, or liability that may be suffered or incurred by State, caused by, arising out of, or in any way connected with the operation of Auxiliary as an auxiliary organization.

All other provisions of the original Agreement and Amendment remain unchanged.

In witness whereof, this Amendment #2 to the Lease has been executed in triplicate by the parties hereto.

THE UNIVERSITY CORPORATION

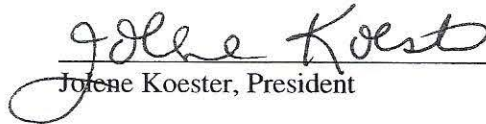
Executed on June 14, 2004



Thomas McCarron, Executive Director

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Executed on June 14, 2004



Jolene Koester, President

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

Executed on June 14, 2004



Paul M. L. Doyneke, Director  
Contracts and Procurement  
Business and Finance



AMENDMENT  
*to*  
OPERATING AGREEMENT AND LEASE  
*between*  
THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY  
*and*  
THE UNIVERSITY CORPORATION

This amendment to Operating Agreement and Lease ("Amendment") is made as of the 1st day of May, 2000, between The University Corporation ("Auxiliary") and the Trustees of the California State University, acting by and through California State University, Northridge ("University"), with reference to the following facts:

- A. Auxiliary and University are parties to that certain Operating Agreement and Lease ("Lease") dated July 29, 1996, pursuant to which University leases to Corporation approximately 35,481 square feet of space on the first floor of the Matador Bookstore Complex ("Bookstore Building"), at California State University, Northridge, located south of Prairie Avenue and west of Lindley Street in Northridge, California.
- B. University wishes to lease to Auxiliary and Auxiliary wishes to lease from University, an additional 11,038 square feet of office space on the southeast corner of Bookstore Building, said office space formerly occupied primarily by the University's Financial Aid Office.
- C. Auxiliary and University desire to confirm certain understandings and agreements regarding the Bookstore Building.

The parties hereby agree as follows:

- 1. Section 14 - **Property Described**, Paragraph 1.a. of Lease is hereby modified in its entirety to read as follows:
  - a.1. *"Bookstore."* The area in the Bookstore Building consisting of approximately 35,481 square feet, which is utilized primarily for a bookstore and may include food service operations, other retail and general office space."
  - a.2. *"Auxiliary Space."* The area in the Bookstore Building consisting of approximately 3,152 square feet of office space generally located between the Bookstore space and the Extended Learning space, utilized by Auxiliary for office and storage.
  - a.3. *"Extended Learning Space."* The additional 7,886 square feet of office space on the southeast corner of the Bookstore Building, said office space formerly occupied by the University's Financial Aid Office.
  - a.4. *"Bookstore Building."* The combined space for the Bookstore, Auxiliary Space and Extended Learning Space, said space comprising the total square footage of the Bookstore Building construction completed in 1961, totaling approximately 45,519 square feet. (See Attachment A.)

2. Section 16 - **Term of Lease**, Paragraph 1 of Lease is hereby modified in its entirety to read as follows:

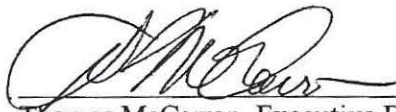
Unless otherwise provided, and with the exception of Section 14.a.3, "Extended Learning Space," which will expire July 1, 2005 and automatically renew for one-year terms thereafter unless terminated by either party, this operating agreement and lease is for the term beginning on the first day of July, 1996, and ending on the thirtieth day of June, 2026, unless sooner terminated as herein provided.

3. University shall provide to Auxiliary a level of deferred maintenance repairs either in the transfer of the sum of Two Hundred Ninety Thousand dollars (\$290,000), or by an equivalent level of deferred maintenance repair effort to cover the cost of certain deferred maintenance projects due to the Bookstore Building. The transfer of funds or the commencement of the deferred maintenance repairs will occur within forty-five (45) days of the execution of this amendment. Use of the funds, if transferred, must meet all the requirements of the State Public Contract law.
4. Auxiliary agrees to assume all future deferred maintenance costs, life cycle, long-terms costs and other major capital projects costs related to Bookstore Building.
5. Except as provided in this Amendment, the Lease shall remain in full force and effect.

In witness whereof, this Amendment to the Lease has been executed in triplicate by the parties hereto.

THE UNIVERSITY CORPORATION

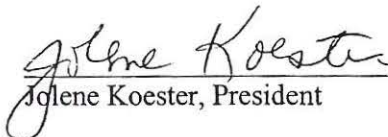
Executed on July 25, 2000



Thomas McCarron, Executive Director

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Executed on July 25, 2000



Jolene Koester, President

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

Executed on Aug. 2, 2000





**OPERATING AGREEMENT AND LEASE BETWEEN THE  
TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY  
AND  
THE UNIVERSITY CORPORATION**

**COMMERCIAL ACTIVITIES, RESEARCH, WORKSHOPS, INSTITUTES**

This operating agreement and lease is made and entered by and between the Trustees of the California State University by their duly qualified and acting Chancellor ("Trustees") and The University Corporation ("Auxiliary").

**Section I. Purpose.**

- 1.1 The purpose of this operating agreement and lease is to set forth the terms and conditions under which Auxiliary may operate and lease premises as an auxiliary organization pursuant to Chapter 7, Part 55, Division 8, Title 3 (Sections 89900 *et seq.*) of the Education Code, and Subchapter 6, Article I, Part V (Sections 42400 *et seq.*) of Title 5 of the California Code of Regulations. In entering this operating agreement and lease, Trustees find that certain functions, advantageous to the mission of The California State University, are more effectively accomplished by the use of an auxiliary organization rather than the usual governmental budgetary, purchasing and other fiscal procedures.

**Section 2. Function**

- 2.1 In consideration of receiving recognition as an official auxiliary organization of The California State University, Auxiliary may, for the period covered herein, perform the following functions as specified in Section 42500, Title 5, California Code of Regulations:
- a. Book Stores, Food Services, including but not limited to vending and catering and Campus Services;
  - b. Repographics, Publishing, Printing and Copier Services
  - c. Housing;
  - d. Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance;
  - e. Externally Funded Projects;
  - f. Instructionally-related Programs and Activities;
  - g. Gifts, Bequests, Devices, Endowments, Trusts and Similar Funds;
  - h. Public Relations, Fundraising, Fund Management, and Similar Development Programs.
  - i. Acquisition and Development of Real Property.
- 2.2 Auxiliary further agrees to receive and apply exclusively the funds and properties coming into it possession toward furthering these purposes. Prior to initiating any additional functions, Auxiliary agrees to obtain written approval of Trustees.

**Section 3. Additional Conditions**

- 3.1 Auxiliary agrees to maintain its organization and operate in accordance with all applicable regulations and policies of Trustees and all regulations and policies of California State University, Northridge ("University") in effect during the term of this operating agreement and lease.
- 3.2 With respect to expenditures for public relations, or other purposes which would serve to augment appropriations for California State University operations, Auxiliary may expend funds in such amount and for such purposes as are approved by Auxiliary's governing body.



Auxiliary shall file with Trustees 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, purposes for which the funds will be used, allowable expenditures, and procedures of control.

- 3.3 No officer or employee of The California State University shall be employed by Auxiliary if such employment would be incompatible, inconsistent or in conflict with his or her duties as a State officer or employee.

#### **Section 4. Records**

- 4.1 Auxiliary shall maintain adequate records and shall submit periodic reports as required by California State University, Northridge or the Trustees showing the operation and financial status of Auxiliary. The records and reports shall cover all activities of Auxiliary whether pursuant to this operating agreement and lease or otherwise.

#### **Section 5. Internal Compliance and Operational Review**

- 5.1 Auxiliary agrees to assist the President of California State University, Northridge ("President") and his or her designee in carrying out the compliance and operational reviews required by regulations and policies of the Trustees.

#### **6. Fiscal Audits and Financial Reporting Requirements**

- 6.1 Auxiliary is subject to the provisions of Education Code Section 89900, and Section 42408 of Title 5, California Code of Regulations. In accordance with these provisions, Auxiliary agrees to:
- a. Contract with a certified public accountant for an annual audit at Auxiliary's expense. The examination shall meet the standards prescribed by the President and the Trustees. The report on such examinations shall be furnished to Trustees.
  - b. Permit examination of all Auxiliary records by Trustees and the State Department of Finance.
  - c. Completed annual audit reports will be furnished to the President in a format and time frame to allow for the necessary financial data to be included in the campus financial statements each year.

#### **Section 7. Remedies on Termination or Breach**

- 7.1 Failure of Auxiliary to comply with any term of this operating agreement and lease 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.
- 7.2 Unless otherwise provided, upon termination or breach of this operating agreement and lease, Trustees, at its sole discretion, may require Auxiliary to transfer all assets in its possession by reason of its status as a CSU auxiliary organization 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 operating agreement and lease.

#### **Section 8. Fair Employment Practices**

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

#### **Section 9. Disposition of Assets**

- 9.1 Attached hereto as Attachment 1 is a copy of Auxiliary's Articles of Incorporation, which establishes that upon dissolution of Auxiliary net assets, other than trust or pledged funds shall be distributed in accord with Section 42600, Title 5, California Code of Regulations. For the period covered by this operating agreement and lease, Auxiliary agrees to maintain this provision as part of its Articles of Incorporation. In the event Auxiliary should change this provision to make other disposition of the net assets, this operating agreement and lease shall terminate as of the date immediately preceding the day such change becomes effective, and all net assets shall become the property of Trustees.

#### **Section 10. Use of Campus Facilities**

- 10.1 In addition to the facilities covered by this operating agreement and lease, University may permit auxiliary to utilize other campus facilities after execution of a license agreement.

#### **Section 11. Disposition of Net Earnings**

- 11.1 Auxiliary agrees to comply with Trustees policy on expenditure of funds including but not limited to Trustees guidelines for disposition of revenues in excess of expenses, and with Board of Trustee policies on maintaining appropriate reserves.

#### **Section 12. Specific Provisions Relating to the Administration of Gifts and Trusts**

- 12.1 Auxiliary agrees that it will only accept and administer such gifts, grants, contracts, scholarships, loan funds fellowships and bequests as are so conditioned that they may be used only for purposes consistent with all policies of Trustees and all policies of University, in effect during the term of this operating agreement and lease.

#### **Section 13. Specific Provisions Relating to Travel Study Courses**

- 13.1 Auxiliary may, with prior written approval of President, perform the following services in connection with authorized travel study courses:
- a. Collect from participants in a travel study course costs of travel, meals, accommodations, insurance and other costs authorized by President or his or her representative. The collection of Trustees' fees shall be handled in accordance with established Trustees' procedures.



#### Section 14. Property Described

14.1 Pursuant to the provisions of Education Code Section 89046 and in accordance with Section 42601 of Title 5, California Code of Regulations, Trustees hereby lease to Auxiliary those certain premises together with appurtenances, rights, privileges, and easements thereunto belonging or appertaining, on the campus of University located in the city of Los Angeles, County of Los Angeles, State of California described below. Additional locations shall be mutually determined by University and Auxiliary under separate written agreement.

- a. *Bookstore.* The area in the Bookstore Building consisting of approximately 32,804 square feet which is utilized primarily for a bookstore and may include food service operations.
- b. *Mixed Media.* A convenience store is located on the ground floor and an art supply store is located on the second floor of a two story addition to the east end of the Fine Arts Building.
- c. *Vending.* Auxiliary will be allowed to use various campus locations, as approved by the President, for the purpose of placing vending machines.

14.2 SUBJECT, HOWEVER, TO:

- a. The use of the 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 University. The right to the use of any of the property identified under 14.1 above shall cease upon written notice by President to Auxiliary that the property is needed for the exclusive use of Trustees.

14.3 Trustees authorize and permit Auxiliary certain rights and interests on the campus of University as described below.

- a. *Bookstore Addition.* The structure is connected to the Bookstore described in 14.1.a and is used for Auxiliary administrative offices, Continuing Education offices and classrooms, food service and retail operations and certain commercial operations. Possession and ownership rights in the structure and site are subject to and further described in the \$9,000,000 Auxiliary Organization Revenue Certificates of Participation (The University Corporation - California State University, Northridge), Series 1996, as defined in and provided for by the terms and conditions of the Lease Agreement, dated as of July 1, 1996 by and between the California Statewide Communities Development Authority and the Auxiliary; the Installment Purchase Agreement by and between the Trustees of the California State University and the California Statewide Communities Development Authority, dated as of July 1, 1996; and the Ground Lease dated as of July 1, 1996 by and between the Trustees of the California State University and the California Statewide Communities Development Authority.
- b. *The Exchange.* The structure is located south of Vicennes Street, north of the Oviatt Library and east of the administration building. The structure is used primarily for food service operations.



**Section 15. Effect of the \$9,000,000 Auxiliary Organization Revenue Certificates Of Participation  
(The University Corporation - California State University, Northridge), Series 1996**

- 15.1 The documents issued in connection with the \$9,000,000 Auxiliary Organization Revenue Certificates of Participation (The University Corporation - California State University, Northridge), Series 1996 (the "COPs") contain provisions required for the refinancing of the Bookstore Addition. To the extent the provisions in this operating agreement and lease conflict with the terms and conditions of the following documents, the terms and conditions of such documents shall be controlling: the Lease Agreement, dated as of July 1, 1996 by and between the California Statewide Communities Development Authority and the Auxiliary; the Installment Purchase Agreement by and between the Trustees of the California State University and the California Statewide Communities Development Authority, dated as of July 1, 1996; and the Ground Lease dated as of July 1, 1996 by and between the Trustees of the California State University and the California Statewide Communities Development Authority and any other document executed by or approved by the Trustees in connection with the COPs.

**Section 16. Term of Lease**

- 16.1 Unless otherwise provided, this operating agreement and lease is for the term beginning on the first day of July, 1996 and ending on the thirtieth day of June, 2026, unless sooner terminated as herein provided.

**17. Use of Premises**

- 17.1 The property herein leased may be separately or jointly, as determined by President, occupied, operated, and used by University and Auxiliary.
- 17.2 Auxiliary may occupy, operate, and use the leased property only in connection with the functions and activities recited in the operating agreement and lease and only when such functions and activities come within the terms of Education Code Section 89046. Auxiliary shall use the leased property only for those functions and activities that are consistent with the Guidelines and Policies which have been or may hereafter be adopted by Trustees and the Chancellor of the California State University. Operations of Auxiliary under this operating agreement and lease shall be integrated with University operations and shall be under the general supervision of University officials. Such supervision shall be provided without cost to Auxiliary.

**Section 18. Consideration**

- 18.1 The Trustees hereby find that the benefits received by University by functions and activities performed by Auxiliary under Section II above to be adequate consideration for the operations and lease of facilities specified under this operating agreement and lease by Auxiliary.

**Section 19. Conformance With State Law**

- 19.1 During the term of this operating agreement and lease, Auxiliary shall operate the described premises in conformance with all applicable policies of Trustees and of the campus

which are currently in effect or which may be adopted hereafter. Further, Auxiliary agrees to operate as auxiliary organization in good standing.

- 19.2 Violation of this section shall subject Auxiliary to termination of this operating agreement and lease unless the violation is corrected within thirty (30) days of written notice from the Chancellor.

#### **Section 20. Buildings, Signs, Fixtures, and Equipment**

- 20.1 During the term of the agreement and lease, 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 upon the leased land shall have prior approval of Trustees. The number, size, and location of signs is subject to prior written approval of President. Fixtures, signs, and equipment so erected, placed or attached by Auxiliary shall be and remain the property of Auxiliary and may be removed therefrom by Auxiliary prior to the termination of this Agreement and lease.

#### **Section 21. Alterations**

- 21.1 The leased premises shall not be altered or changed in any manner or respect without the written consent of President, and changes that may be authorized shall be made under the direction of President and at the expense of Auxiliary

#### **Section 22. Right of Entry**

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

#### **Section 23. Charges for Services Provided by the State**

- 23.1 Auxiliary shall reimburse Trustees for expenditures incurred by Trustees as a result of activities of Auxiliary under the terms of this operating agreement and lease. This reimbursement shall include, but not be limited to, utility costs, custodial services, maintenance cost, and supplies. Said reimbursement shall be computed on a simple but equitable basis. The Business Manager, with the approval of the campus President, shall determine and specify such costs and amount thereof and reimbursement shall be made by Auxiliary within thirty (30) days of the receipt of a notice of such determination.

#### **Section 24. Care, Maintenance and Repair**

- 24.1 Care, maintenance and repair of the leased property shall be provided as follows:
- a. *Care and Maintenance.* Auxiliary agrees that it will 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 that it will keep the leased premises in good repair.

#### **Section 25. Insurance**



- 25.1. Auxiliary shall maintain in force during the term of this operating agreement and lease and all extensions thereof liability insurance with a combined single limit (csl) of not less than One Million Dollars (\$1,000,000) per occurrence. This policy or policies of liability insurance shall contain the following special endorsement:

"The State of California, Trustees, and all of its other departments, boards, and commissions and its officers, employees, and agents are hereby declared to be additional insureds under the terms of this policy as to the activities of Auxiliary.

"This insurance policy shall not be canceled without thirty (30) days' prior written notice to Trustees. The Trustees shall not be liable for the payment of premiums or assessments on this policy."

- 25.2. No cancellation provision in any insurance policy shall be construed in derogation of the continuous duty of Auxiliary to furnish insurance during the term of this operating agreement and lease. Said policy or policies shall be underwritten to the satisfaction of Trustees. A complete and signed certified copy of the policy shall be submitted to Trustees concurrently with the execution of the operating agreement and lease. At least thirty (30) days prior to the expiration of any such policy, a signed certified copy of the policy showing that such insurance coverage has been renewed or extended shall be filed with Trustees.

#### **Section 26. Indemnification**

- 26.1 Auxiliary agrees to indemnify, defend, and hold harmless the State, Trustees, and their officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred, which arises out of, or is in any way connected with the use of the leased premises herein described by Auxiliary; provided, however, that the loss, damage, or liability does not arise from the intentional or negligent acts or omissions of the State, Trustees, or their officers, agents or employees.

#### **Section 27. Termination**

- 27.1 This operating agreement and lease may be terminated upon any of the following occurrences:
- a. Expiration of the operating agreement and lease term set forth in Section 16.
  - b. Violation of Section 19 or any other substantial provision of this operating agreement and lease.
  - c. Administrative necessity as set forth in Section 14 or campus master plan changes.
  - d. Cessation of operations of Auxiliary.
  - e. Destruction of Premises as set forth in Section 34 or 35.

#### **Section 28. Holding Over**

- 28.1 Should Auxiliary hold over after the expiration of the term hereof with the express or implied consent of Trustees such holding over shall be on a month to month basis subject to the terms and conditions of this operating agreement and lease.

#### **Section 29. Restoration of Premises**

- 29.1 Upon termination of this operating agreement and lease, Trustees shall have the option to require Auxiliary, at its own expense and risk, to restore the premises as nearly as possible



to the condition existing prior to the execution of the operating agreement and lease with the exception of normal wear and tear and any catastrophic occurrences as described in Sections 34 and 35. But if Auxiliary shall fail to restore within 90 days after Trustees option, Trustees may restore the property at the risk of Auxiliary and all costs and expenses of such restoration shall be paid by Auxiliary.

### **Section 30. Mortgages**

- 30.1 Auxiliary shall not have the right to subject this operating agreement and lease to any mortgage, trust deed or other security device without the written consent of Trustees, except to the extent provided in the documents in connection with the COPs.

### **Section 31. Amendments**

- 31.1 This operating agreement and lease may be amended, changed, modified or altered with the written consent of the President, the Auxiliary, and the Trustees.

### **Section 32. Assignment or Sublease**

- 32.1 This operating agreement and lease is not assignable by Auxiliary either in whole or in part, nor shall Auxiliary sublet the leased premises or any part thereof without written permission of Trustees.

### **Section 33. Notices**

- 33.1 All notice 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 deposited in the United States mail, certified and postage prepaid and addressed as herein provided.

Notice to Auxiliary shall be addressed as follows:

Executive Director  
The University Corporation  
18111 Nordhoff Street  
Northridge, California 91330-8310

Notice to President shall be addressed as follows:

President  
California State University, Northridge  
18111 Nordhoff Street  
Northridge, California 91330-8230

Notice to Trustees shall be addressed to:

Trustees of The California State University  
Attention: Auxiliaries Planning and Bonds  
400 Golden Shore, Room 216  
Long Beach, California 90802-4275

**Section 34. Destruction of the Premises**

- 34.1 If the leased premises are partially or totally destroyed by a catastrophe as described in Section 35, Trustees, at Trustees sole expense and risk, shall effect restoration of the premises as quickly as is reasonably possible.
- 34.2 In the event such catastrophe shall render the leased premises unusable but not constitute total destruction, Trustees shall forthwith give notice to Auxiliary of the specific number of days required to repair the same. If Trustees under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, Auxiliary, in either such event, at its option, may terminate this operating agreement and lease.

**Section 35. Catastrophe**

- 35.1 Except for Sections 26 and 34, neither Auxiliary nor Trustees shall be liable for failure to perform their respective obligations under this operating agreement and lease when such failure is caused by fire, explosion, water, act of God or inevitable accident, civil disorder or disturbances, strikes, vandalism, war, riot, sabotage, weather and energy-related closings, governmental rules or regulation, or like causes beyond the control of such party, nor for real or personal property destroyed or damaged due to such causes.

IN WITNESS WHEREOF, this operating agreement and lease has been executed in triplicate by the parties hereto.

**THE UNIVERSITY CORPORATION**

Executed on July 29, 1996

  
DONALD QUEEN, Executive Director

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

Executed on July 29, 1996

  
BLENDA J. WILSON, President

**TRUSTEES OF THE CALIFORNIA STATE  
UNIVERSITY**

Approved on July 29, 1996

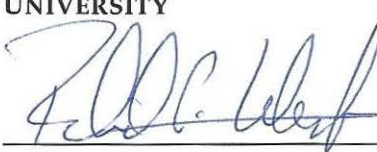


Exhibit A  
Sponsored Projects  
Page 1 of 1

The administration of sponsored projects requires joint cooperation between California State University, Northridge and the Auxiliary for Pre Award and Post Award activities. The responsibilities for each phase of the activities are as follows:

California State University, Northridge (University)

Pre Award

The Office of Research and Sponsored Projects (ORSP) will be responsible for all Pre Award activities, which include proposal submission, review, approval and acceptance of Sponsored Programs.

The University is responsible for development and implementation of policy to cover Sponsored Projects. This will include eligibility and responsibilities of the Principal Investigator(s), Pre Award Review and Approval procedures; additional employment; misconduct; conflict of interest; nepotism; conduct of research; human subjects research; animal subjects research; sponsored programs records and sponsored programs work product.

University will include Auxiliary in the Pre Award budget review process in order to ensure accurate administration of Post Award accounting activities.

Auxiliary

Post Award

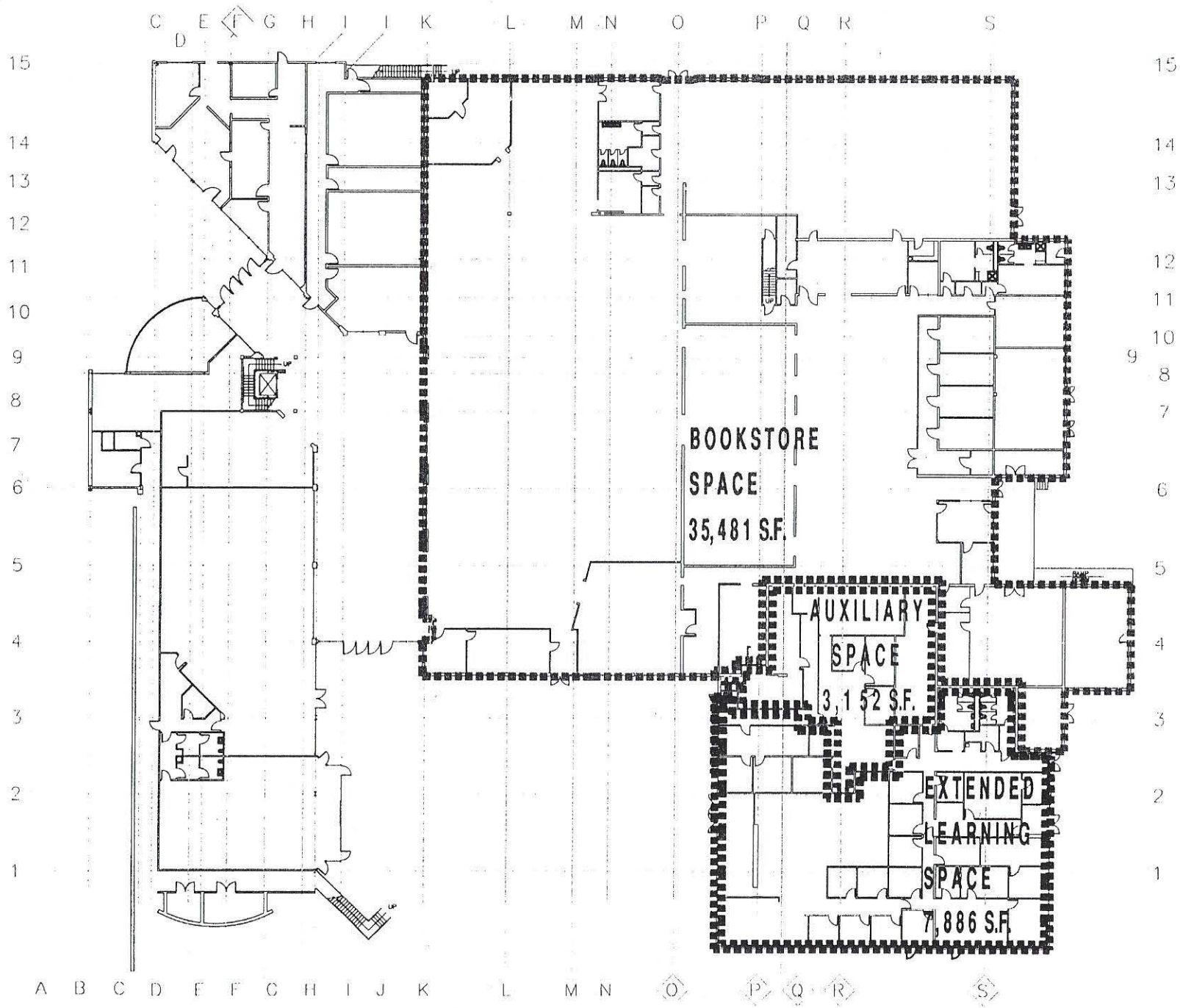
The Auxiliary will be responsible for Post Award Administration of activities that include:

- 1) Accounting
- 2) Payroll
- 3) Purchasing
- 4) Cost share documentation
- 5) Records retention
- 6) Related support functions such as risk management

Auxiliary will maintain internal controls to ensure institutional policies and procedures are in compliance with regulation of funding agencies including, Federal OMB Circular A-21, A-133, A-110 and Cost Accounting Standards Board (CASB). Auxiliary shall maintain appropriate internal controls to ensure compliance within federally required financial management standards.

Auxiliary will work with University's Human Resource Department to adhere to employment requirements addressed in all Executive Orders.





NOTES

Attachment A



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
 PHYSICAL PLANT MANAGEMENT  
 HILDO HERNANDEZ, DIRECTOR  
 18111 NORDHOFF STREET  
 NORTHRIDGE, CALIFORNIA 91330



P. P. M.  
 C.A.D.D. CHARLIE WOOD  
 VOICE 818.877.4784  
 FAX: 818.877.4883

PHYSICAL PLANT MANAGEMENT  
 SCALE: F I T  
 FILE NAME: BOOKSTORE\_1  
 DATE: 17 JULY 2000

1 MAJOR BUILDINGS  
 BOOKSTORE-1st FLOOR