EC2011-1R Execution of the 2012 Operating Agreement Resolution

Presented at the October 19 Excom Meeting
October 19, 2011

WHEREAS, The Associated Students Incorporated (ASI) of the California State University, East Bay (CSU East Bay) is the single recognized voice of the students of this campus; and

WHEREAS, Part of the mission of ASI at CSU East Bay is provide students with services and resources to supplement and support their college experience; and

WHEREAS, An operating agreement is necessary for doing business on the CSUEB campus, and

WHEREAS, The current operating agreement has expired and a new agreement is necessary for ASI to continue serving on the CSUEB campus, therefore be it

RESOLVED, That the ASI Executive Committee gives permission for the Executive Director to execute the new operating agreement from CSUEB; and be it further

RESOLVED, That ASI gives the Executive director permission to execute all other paperwork and fillings needed to complete this agreement.

Approved On: 10/19/11
ASI President: ____________________________________

"Students working for Students!"
OPERATING AGREEMENT AND LEASE
BETWEEN TRUSTEES AND
STUDENT BODY ORGANIZATION

This agreement is made and entered into by and between the State of California through its Trustees of the California State University by their duly qualified and acting Chancellor (hereinafter called Trustees) and Associated Students, Incorporated of California State University, East Bay (hereinafter called Auxiliary). The term of this agreement shall be September 1, 2011, through August 31, 2016, unless sooner terminated as herein provided.

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 Chapter 7, Part 55, Division 8, Title 3 (Sections 89900 et seq.) of the Education Code and Subchapter 6, Article 1, Part V (Sections 42400 et seq.) of Title 5 of the California Code of Regulations (CCR). In entering this agreement, Trustees find that certain functions important to the mission of the California State University are more effectively accomplished by the use of an auxiliary organization rather than the usual state procedures.

2. FUNCTIONS

In consideration of receiving recognition as an official auxiliary organization of the California State University, Auxiliary hereby agrees, for the period covered by this agreement, to perform the following functions specified in Section 42500, Title 5, CCR:

Student Body organization programs
Student Union programs
Recreation and Wellness center programs
Intramural programs
Supplementary Health services
Externally Funded Projects Including Workshops and Conferences
Loans, Scholarships, Grants-in-Aid, Stipends and related financial assistance

Auxiliary further agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes. Prior to initiating any additional functions, Auxiliary agrees to obtain written approval of Trustees.

Operations of Auxiliary under this Agreement shall be integrated with California State University, East Bay (hereinafter called CSUEB) operations and shall be supervised by CSUEB officials so as to assure compliance with the objectives stated in Title 5, CCR, 42401.
3. ADDITIONAL CONDITIONS

A. Auxiliary agrees to maintain its organization and to operate in accordance with all applicable regulations and policies of the State, the Chancellor, and CSUEB.

B. 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 State 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.

C. No officer or employee of CSUEB 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 CSUEB officer or employee.

4. RECORDS

Auxiliary shall maintain adequate records and shall submit periodic reports as required by State 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.

5. INTERNAL COMPLIANCE AND OPERATIONAL REVIEW

Auxiliary agrees to assist the President and his or her designee in carrying out the compliance and operational reviews required by Executive Order 698 and related policies.

6. FISCAL AUDITS

Auxiliary is subject to the provisions of Section 89900 of the Education Code and Section 42408 of Title 5, CCR. In accordance with these provisions, Auxiliary agrees to:

Contract with a certified public accountant for an annual audit at Auxiliary's expense. The report on such examinations shall be furnished to the State.

Permit examination of all Auxiliary records by State or their designee.

7. REMEDIES ON TERMINATION OR BREACH

A. Failure of Auxiliary to comply with any term of this agreement may result in the removal, suspension, or placing on probation of Auxiliary as an auxiliary organization in good standing. Such action by State may involve the limitation or
removal of Auxiliary's right to utilize the resources, facilities, and name of State and California State University, East Bay (ref. Title 5, CCR, 42406).

B. Upon termination or breach of this agreement, State, 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 State upon termination or breach of this agreement.

C. In addition to any other remedies, State may, upon breach or termination of this agreement, withhold from Auxiliary all funds or fees collected by State for benefit of Auxiliary.

8. FAIR EMPLOYMENT PRACTICES

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

9. DISPOSITION OF ASSETS

Attached hereto as Attachment 1 is a copy of Auxiliary's Articles of Incorporation which establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed in accord with Section 42600, Title 5, California Code of Regulations. For the period covered by this agreement, 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 agreement shall terminate as of the date immediately preceding the date such change becomes effective, and all net assets shall become the property of State.

10. USE OF CAMPUS FACILITIES

Auxiliary may use those facilities identified for its use in a lease agreement executed between CSUEB and the Auxiliary. In addition to the facilities covered by the lease agreement, CSUEB may permit Auxiliary to utilize other CSUEB facilities. Permission shall be granted by the execution of a license agreement with CSUEB. Such a license must be set forth in the format provided by Trustees.

11. DISPOSITION OF NET EARNINGS

Auxiliary agrees to comply with Trustee and CSUEB policy on expenditure of funds, including but not limited to State guidelines for the disposition of revenues in excess of expenses and State policies on maintaining appropriate reserves.
12. ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS

Auxiliary agrees that it will accept and administer gifts, grants, contracts, scholarships, loan funds, fellowships, bequests, and devises in accordance with policies of State, Chancellor, and CSUEB.

13. INDEMNIFICATION

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

14. 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 Auxiliary personal 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:

- Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
- Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto).
- Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
- "All Risk" Auxiliary Personal Property Insurance with applicable limits.

C. Minimum Limits of Insurance

Auxiliary shall maintain limits no less than:

- General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

- Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
- Employer's Liability: $1,000,000 per accident for bodily injury or disease.
Auxiliary Personal Property Insurance: Full replacement of insured personal property.

D. Deductibles and Self-Insured Retentions
Any deductibles or self-insured retentions must be declared to and approved by Trustees. At the option of Trustees, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Trustees, its trustees, officers, employees and volunteers; or the Auxiliary shall provide a financial guarantee satisfactory to Trustees 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) Trustees, its trustees, officers, employees, and volunteers 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 Trustees, its trustees, officers, employees, and volunteers. Any insurance or self-insurance maintained by Trustees, its trustees, officers, employees, or volunteers shall be excess of the Auxiliary’s insurance and shall not contribute with it.

3) All insurance required under this agreement shall contain an endorsement naming the State of California, the Trustees of the California State University, Cal State East Bay, and the officers, agents and employees of each of them as additional insureds. It shall also contain requiring thirty (30) days written notice from the insurance company to both parties before cancellation or change in Coverage, scope or amount of any policy. Each policy, or a certificate of the policy, shall be deposited with CSUEB 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.

F. Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A:VII.

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

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.

15. CHARGES FOR FACILITIES & SERVICES PROVIDED BY THE STATE

Auxiliary agrees to reimburse Trustees for expenses incurred by Trustees as the result of Auxiliary's activities under the terms of this agreement. Reimbursement shall be made for direct and indirect costs computed on a simple but equitable basis and in accordance with the policies for cost allocations as established by CSUEB. Auxiliary agrees to make reimbursement within 30 days from receipt of notice of such determination.

16. OPERATING EXPENSE

Auxiliary shall be responsible for the payment of organizational operating expenses, including custodial services and supplies and minor maintenance and repair costs, during the term of this agreement.

17. STUDENT BODY ORGANIZATION FUNDS

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

B. All funds and money collected by or on behalf of Auxiliary, except funds and money collected from commercial services, shall be deposited in trust by the CSUEB chief fiscal officer in accordance with procedures approved by CSUEB and Auxiliary. Investment, accounting, control, and expenditure of such funds shall be in accordance with the regulations and policies of State and the policies of CSUEB.

C. Preparation, review, and approval of Auxiliary's budget by the CSUEB President shall be in accordance with the regulations and policies of Trustees and the policies of CSUEB.
18. CONFORMANCE WITH STATE LAW

During the term of this Agreement, Auxiliary shall operate the described premises in conformance with all applicable policies of Trustees and of CSUEB which are currently in effect or which may be adopted hereafter. Further, Auxiliary agrees to operate as an auxiliary organization in good standing.

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

19. LEASE OF PREMISES

CSUEB hereby leases to Auxiliary and Auxiliary hires from CSUEB those premises as listed below:

110,825 square feet of space located on the campus of California State University, East Bay comprised of 31,937 square feet located in the original University Union, 25,651 square feet and shared use of room 117 in the new University Union, and 53,237 square feet in the Recreation and Wellness Center and excluding areas assigned to others, as more fully described in Exhibit A, which is incorporated herein by reference, and hereinafter called Premises.

Subject however to:

The use of the property/space for civil defense purposes or in the event of a State or national emergency.

Unanticipated need of CSUEB to meet the demands of the education objectives of CSUEB. The right to the use of any property/space included in this agreement shall cease upon the written notice by the President to the Auxiliary that the property is needed for the exclusive use of CSUEB.

Only space physically occupied for the intent of performing Auxiliary activities associated with student governance as outlined in its by-laws is subject to making lease payments. In consideration for performing the operations described in Section 2, there will be no lease payments required for the period of time covered by this agreement.

20. USE OF PREMISES

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:

- Operating student government programs for the students of CSUEB

- Operating student union programs for the students, faculty, staff, alumni and guests of CSUEB.
Operating physical fitness programs for the students, faculty, staff, alumni and guests of CSUEB.

For scheduling purposes, Auxiliary will maintain an inventory of spaces available within each building identified in Section 19. Auxiliary will manage the schedule based on policies that are consistent with CSUEB scheduling and rental policies. Auxiliary shall employ scheduling software that is compatible with that software used by CSUEB. In the event CSUEB implements more robust scheduling software, Auxiliary will work collaboratively to ensure scheduling systems communicate with each other.

Classes for academic credit are not to be regularly scheduled in space outlined in Section 19.

CSUEB shall not pay rental for any space used for CSUEB purposes as outlined in Section 19. Should Auxiliary incur expenses as a result of CSUEB scheduling outside of normal business hours or requiring additional staff, CSUEB will reimburse Auxiliary for those expenses, consistent with CSUEB’s cost recovery policy. Auxiliary shall publish a pricing schedule for staffing and optional services for CSUEB.

Auxiliary shall publish a pricing schedule for rental of spaces to non-profit and commercial entities including audio, visual, and lighting.

Auxiliary shall use the leased property only for functions and activities that are consistent with the guidelines and policies that have been or may hereafter be adopted by the CSUEB.

21. APPLICATION OF STUDENT FEES

Auxiliary shall be entitled to a transfer of funds as required for operating expenses. Annually (in the first week of March) CSUEB will provide an estimate of the revenues expected to be available to cover Auxiliary programs and operating expenses. Auxiliary will prepare a budget that balances within this framework for approval by the President and CFO. The transfer for operating funds will be based on needs shown in the operating budget, subject to the availability of such funds. Funds transfers will be made upon approval of budget to the Auxiliary Fund in the Peoplesoft System. Additional funds will be deposited as fees are collected in real time or weekly batches. Documentation for requested transfers is subject to CSUEB review at CSUEB’s discretion.

Additional transfers of funds may be made for extraordinary expenses as requested by Auxiliary and approved by the CSUEB Chief Financial Officer.

22. ALTERATIONS

The leased premises shall not be altered or changed in any manner or respect without the prior review of the Auxiliary Board of Directors and prior written approval of CSUEB. Changes that are authorized shall be made under the direction of CSUEB.
For Capital outlay projects, CSU policies, regulations and procedures shall apply. The Cal State East Bay Planning, Design and Construction (PDC) office will manage the process for feasibility analysis, architectural programming, design, and construction in consultation with Auxiliary. A detailed project budget will be brought before the Auxiliary Executive Director and Auxiliary Board of Directors for approval.

Annually, CSUEB will update the maintenance and repair plan for those buildings identified in Section 19 and share that detailed plan with the Auxiliary Executive Director and Board of Directors by the first week of March. The CSUEB will inform the Executive Director and Board of Directors of Auxiliary of any projects identified in the plan and seek input during the planning process and before work begins on priority setting and timing.

Planning, Design and Construction (PDC) will submit a budget annually (in the first week of March) to the CSUEB Budget office after consulting Auxiliary for any planned projects. Upon approval by Auxiliary and the CSUEB CFO, PDC manage these projects.

For routine repairs of major systems and infrastructure and preventive maintenance projects, after consultation with the Executive Director of Auxiliary, CSUEB will assign a project manager to complete the repair or preventive maintenance project.

23. **RIGHT OF ENTRY**

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

24. **ASSIGNMENT OR SUBLLEASE**

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

25. **AMERICANS WITH DISABILITIES ACT (ADA)**

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

26. **NOTICES**

All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and delivered to the other party.
IN WITNESS WHEREOF, this agreement has been executed in quadruplicate by the parties hereto.

Associated Students Incorporated of California State University East Bay

Executed on: 10/19/11

By: [Signature]
   (title) Executive Director

(per minutes of Auxiliary Board of Directors, ** date)

California State University East Bay

Executed on: 10/17/11

By: [Signature]
   President

Approved: [Signature]
   California State University
   Office of the Chancellor
EC2011-1

OPERATING AGREEMENT AND LEASE
BETWEEN TRUSTEES AND
STUDENT BODY ORGANIZATION

This agreement is made and entered into by and between the State of California through its Trustees of the California State University by their duly qualified and acting Chancellor (hereinafter called Trustees) and Associated Students, Incorporated of California State University, East Bay (hereinafter called Auxiliary). The term of this agreement shall be September 1, 2011, through August 31, 2016, unless sooner terminated as herein provided.

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 Chapter 7, Part 55, Division 8, Title 3 (Sections 89900 et seq.) of the Education Code and Subchapter 6, Article 1, Part V (Sections 42400 et seq.) of Title 5 of the California Code of Regulations (CCR). In entering this agreement, Trustees find that certain functions important to the mission of the California State University are more effectively accomplished by the use of an auxiliary organization rather than the usual state procedures.

2. FUNCTIONS

In consideration of receiving recognition as an official auxiliary organization of the California State University, Auxiliary hereby agrees, for the period covered by this agreement, to perform the following functions specified in Section 42500, Title 5, CCR:

Student Body organization programs
Student Union programs
Recreation and Wellness center programs
Intramural programs
Supplementary Health services
Externally Funded Projects Including Workshops and Conferences
Loans, Scholarships, Grants-in-Aid, Stipends and related financial assistance

Auxiliary further agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes. Prior to initiating any additional functions, Auxiliary agrees to obtain written approval of Trustees.

Operations of Auxiliary under this Agreement shall be integrated with California State University, East Bay (hereinafter called CSUEB) operations and shall be supervised by CSUEB officials so as to assure compliance with the objectives stated in Title 5, CCR, 42401.
3. ADDITIONAL CONDITIONS

A. Auxiliary agrees to maintain its organization and to operate in accordance with all applicable regulations and policies of the State, the Chancellor, and CSUEB.

B. 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 State 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.

C. No officer or employee of CSUEB 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 CSUEB officer or employee.

4. RECORDS

Auxiliary shall maintain adequate records and shall submit periodic reports as required by State 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.

5. INTERNAL COMPLIANCE AND OPERATIONAL REVIEW

Auxiliary agrees to assist the President and his or her designee in carrying out the compliance and operational reviews required by Executive Order 698 and related policies.

6. FISCAL AUDITS

Auxiliary is subject to the provisions of Section 89900 of the Education Code and Section 42408 of Title 5, CCR. In accordance with these provisions, Auxiliary agrees to:

Contract with a certified public accountant for an annual audit at Auxiliary's expense. The report on such examinations shall be furnished to the State.

Permit examination of all Auxiliary records by State or their designee.

7. REMEDIES ON TERMINATION OR BREACH

A. Failure of Auxiliary to comply with any term of this agreement may result in the removal, suspension, or placing on probation of Auxiliary as an auxiliary organization in good standing. Such action by State may involve the limitation or
removal of Auxiliary's right to utilize the resources, facilities, and name of State and California State University, East Bay (ref. Title 5, CCR, 42406).

B. Upon termination or breach of this agreement, State, 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 State upon termination or breach of this agreement.

C. In addition to any other remedies, State may, upon breach or termination of this agreement, withhold from Auxiliary all funds or fees collected by State for benefit of Auxiliary.

8. FAIR EMPLOYMENT PRACTICES

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

9. DISPOSITION OF ASSETS

Attached hereto as Attachment 1 is a copy of Auxiliary's Articles of Incorporation which establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed in accord with Section 42600, Title 5, California Code of Regulations. For the period covered by this agreement, 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 agreement shall terminate as of the date immediately preceding the date such change becomes effective, and all net assets shall become the property of State.

10. USE OF CAMPUS FACILITIES

Auxiliary may use those facilities identified for its use in a lease agreement executed between CSUEB and the Auxiliary. In addition to the facilities covered by the lease agreement, CSUEB may permit Auxiliary to utilize other CSUEB facilities. Permission shall be granted by the execution of a license agreement with CSUEB. Such a license must be set forth in the format provided by Trustees.

11. DISPOSITION OF NET EARNINGS

Auxiliary agrees to comply with Trustee and CSUEB policy on expenditure of funds, including but not limited to State guidelines for the disposition of revenues in excess of expenses and State policies on maintaining appropriate reserves.
12. ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS

Auxiliary agrees that it will accept and administer gifts, grants, contracts, scholarships, loan funds, fellowships, bequests, and devises in accordance with policies of State, Chancellor, and CSUEB.

13. INDEMNIFICATION

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

14. 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 Auxiliary personal 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:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto).
Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.
"All Risk" Auxiliary Personal Property Insurance with applicable limits.

C. Minimum Limits of Insurance

Auxiliary shall maintain limits no less than:

General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
Employer’s Liability: $1,000,000 per accident for bodily injury or disease.
Auxiliary Personal Property Insurance: Full replacement of insured personal property.

D. Deductibles and Self-Insured Retentions
Any deductibles or self-insured retentions must be declared to and approved by Trustees. At the option of Trustees, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Trustees, its trustees, officers, employees and volunteers; or the Auxiliary shall provide a financial guarantee satisfactory to Trustees 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) Trustees, its trustees, officers, employees, and volunteers 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 Trustees, its trustees, officers, employees, and volunteers. Any insurance or self-insurance maintained by Trustees, its trustees, officers, employees, or volunteers shall be excess of the Auxiliary’s insurance and shall not contribute with it.

3) All insurance required under this agreement shall contain an endorsement naming the State of California, the Trustees of the California State University, Cal State East Bay, and the officers, agents and employees of each of them as additional insureds. It shall also contain requiring thirty (30) days written notice from the insurance company to both parties before cancellation or change in Coverage, scope or amount of any policy. Each policy, or a certificate of the policy, shall be deposited with CSUEB 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.

F. Acceptability of Insurers
Insurance is to be placed with insurers with a current AM. Best’s rating of no less than A:VI.

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

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.

15. CHARGES FOR FACILITIES & SERVICES PROVIDED BY THE STATE

Auxiliary agrees to reimburse Trustees for expenses incurred by Trustees as the result of Auxiliary's activities under the terms of this agreement. Reimbursement shall be made for direct and indirect costs computed on a simple but equitable basis and in accordance with the policies for cost allocations as established by CSUEB. Auxiliary agrees to make reimbursement within 30 days from receipt of notice of such determination.

16. OPERATING EXPENSE

Auxiliary shall be responsible for the payment of organizational operating expenses, including custodial services and supplies and minor maintenance and repair costs, during the term of this agreement.

17. STUDENT BODY ORGANIZATION FUNDS

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

B. All funds and money collected by or on behalf of Auxiliary, except funds and money collected from commercial services, shall be deposited in trust by the CSUEB chief fiscal officer in accordance with procedures approved by CSUEB and Auxiliary. Investment, accounting, control, and expenditure of such funds shall be in accordance with the regulations and policies of State and the policies of CSUEB.

C. Preparation, review, and approval of Auxiliary's budget by the CSUEB President shall be in accordance with the regulations and policies of Trustees and policies of CSUEB.
18. CONFORMANCE WITH STATE LAW

During the term of this Agreement, Auxiliary shall operate the described premises in conformance with all applicable policies of Trustees and of CSUEB which are currently in effect or which may be adopted hereafter. Further, Auxiliary agrees to operate as an auxiliary organization in good standing.

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

19. LEASE OF PREMISES

CSUEB hereby leases to Auxiliary and Auxiliary hires from CSUEB those premises as listed below:

110,825 square feet of space located on the campus of California State University, East Bay comprised of 31,937 square feet located in the original University Union, 25,651 square feet and shared use of room 117 in the new University Union, and 53,237 square feet in the Recreation and Wellness Center and excluding areas assigned to others, as more fully described in Exhibit A, which is incorporated herein by reference, and hereinafter called Premises.

Subject however to:

The use of the property/space for civil defense purposes or in the event of a State or national emergency.

Unanticipated need of CSUEB to meet the demands of the education objectives of CSUEB. The right to the use of any property/space included in this agreement shall cease upon the written notice by the President to the Auxiliary that the property is needed for the exclusive use of CSUEB.

Only space physically occupied for the intent of performing Auxiliary activities associated with student governance as outlined in its by-laws is subject to making lease payments. In consideration for performing the operations described in Section 2, there will be no lease payments required for the period of time covered by this agreement.

20. USE OF PREMISES

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:

Operating student government programs for the students of CSUEB

Operating student union programs for the students, faculty, staff, alumni and guests of CSUEB.
Operating physical fitness programs for the students, faculty, staff, alumni and guests of CSUEB.

For scheduling purpose, Auxiliary will maintain an inventory of spaces available within each building identified in Section 19. Auxiliary will manage the schedule based on policies that are consistent with CSUEB scheduling and rental policies. Auxiliary shall employ scheduling software that is compatible with that software used by CSUEB. In the event CSUEB implements more robust scheduling software, Auxiliary will work collaboratively to ensure scheduling systems communicate with each other.

Classes for academic credit are not to be regularly scheduled in space outlined in Section 19.

CSUEB shall not pay rental for any space used for CSUEB purposes as outlined in Section 19. Should Auxiliary incur expenses as a result of CSUEB scheduling outside of normal business hours or requiring additional staff, CSUEB will reimburse Auxiliary for those expenses, consistent with CSUEB's cost recovery policy. Auxiliary shall publish a pricing schedule for staffing and optional services for CSUEB.

Auxiliary shall publish a pricing schedule for rental of spaces to non-profit and commercial entities including audio, visual, and lighting.

Auxiliary shall use the leased property only for functions and activities that are consistent with the guidelines and policies that have been or may hereafter be adopted by the CSUEB.

21. APPLICATION OF STUDENT FEES

Auxiliary shall be entitled to a transfer of funds as required for operating expenses. Annually (in the first week of March) CSUEB will provide an estimate of the revenues expected to be available to cover Auxiliary programs and operating expenses. Auxiliary will prepare a budget that balances within this framework for approval by the President and CFO. The transfer for operating funds will be based on needs shown in the operating budget, subject to the availability of such funds. Funds transfers will be made upon approval of budget to the Auxiliary Fund in the Peoplesoft System. Additional funds will be deposited as fees are collected in real time or weekly batches. Documentation for requested transfers is subject to CSUEB review at CSUEB's discretion.

Additional transfers of funds may be made for extraordinary expenses as requested by Auxiliary and approved by the CSUEB Chief Financial Officer.

22. ALTERATIONS

The leased premises shall not be altered or changed in any manner or respect without the prior review of the Auxiliary Board of Directors and prior written approval of CSUEB. Changes that are authorized shall be made under the direction of CSUEB.
For Capital outlay projects, CSU policies, regulations and procedures shall apply. The Cal State East Bay Planning, Design and Construction (PDC) office will manage the process for feasibility analysis, architectural programming, design, and construction in consultation with Auxiliary. A detailed project budget will be brought before the Auxiliary Executive Director and Auxiliary Board of Directors for approval.

Annually, CSUEB will update the maintenance and repair plan for those buildings identified in Section 19 and share that detailed plan with the Auxiliary Executive Director and Board of Directors by the first week of March. The CSUEB will inform the Executive Director and Board of Directors of Auxiliary of any projects identified in the plan and seek input during the planning process and before work begins on priority setting and timing.

Planning, Design and Construction (PDC) will submit a budget annually (in the first week of March) to the CSUEB Budget office after consulting Auxiliary for any planned projects. Upon approval by Auxiliary and the CSUEB CFO, PDC manage these projects.

For routine repairs of major systems and infrastructure and preventive maintenance projects, after consultation with the Executive Director of Auxiliary, CSUEB will assign a project manager to complete the repair or preventive maintenance project.

23. RIGHT OF ENTRY

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

24. ASSIGNMENT OR SUBLLEASE

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

25. AMERICANS WITH DISABILITIES ACT (ADA)

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

26. NOTICES

All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and delivered to the other party.
IN WITNESS WHEREOF, this agreement has been executed in quadruplicate by the parties hereto.

Associated Students Incorporated of California State University East Bay

Executed on: 10/19/11
By: [Signature]
(title) Executive Director

(per minutes of Auxiliary Board of Directors, ** date)

California State University East Bay

Executed on: 10/17/11
By: [Signature]
President

Approved: [Signature]
California State University
Office of the Chancellor