

**OPERATING AGREEMENT**  
*Between*  
**CALIFORNIA STATE UNIVERSITY**  
*And*  
**NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and the North Campus-University Park Development Corporation (Auxiliary) serving California State University, Northridge (Campus). The term of this agreement shall be July 1, 2016 through June 30, 2026, 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 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 OF THE AUXILIARY**

In consideration of receiving recognition as an official CSU auxiliary organizations, Auxiliary agrees, for the period covered by this agreement that the primary functions, which the Auxiliary is to manage, operate or administer are:

- a. Housing;
- b. Real property acquisition/real property development.

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:

- a. Housing
- b. Acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities.

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 understand and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 18, 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 in 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 17, 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 or dissolves.

#### **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 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. DISPOSITION OF ASSETS**

Attached hereto as Attachment 3 is a copy of Auxiliary's Articles of Incorporation which establish that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed in accord with CCR tit. 5, §42600. Auxiliary agrees to maintain this provision as part of its 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.

## **12. 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 thirty 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.

## **13. 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.

## **14. 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.

## 15. 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.

## 16. 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.

## 17. 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  
North Campus-University Park Development Corporation  
18111 Nordhoff Street  
Northridge, CA 91330-8310

### *Notice to the CSU 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 Campus shall be addressed as follows:*

Office of the President  
California State University, Northridge  
18111 Nordhoff Street  
Northridge, CA 91330-8230

**18. AMENDMENT**

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

**19. 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.

**20. 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.

**21. REMEDIES UPON TERMINATION**

Termination by CSU of this agreement pursuant to Section 20, 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.

**22. SEVERABILITY**

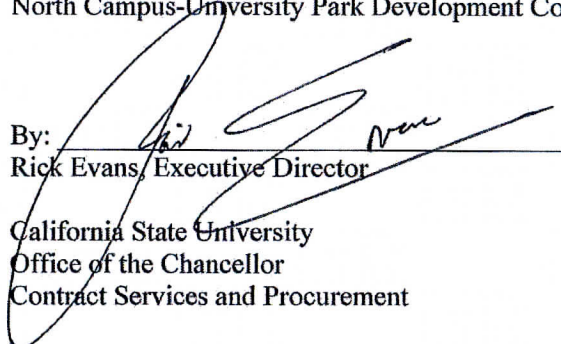
If any section or provision of this Agreement is held illegal, unenforceable or in conflict with any law by a court of competent jurisdiction, such section or provision shall be deemed severed and the validity of the remainder of this Agreement shall not be affected thereby.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto.

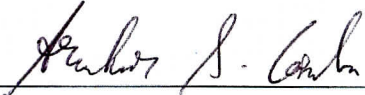
Approved: May 6, 2016 California State University, Northridge

By:   
Dianne F. Harrison, President

Executed on: May 6, 2016 North Campus-University Park Development Corporation

By:   
Rick Evans, Executive Director

Executed on: JULY 29, 2016 California State University  
Office of the Chancellor  
Contract Services and Procurement

By: 



**North Campus  
Development Corporation**

**MEMORANDUM**

To:

From: Executive Director

Date:

**Subject: CONFLICT OF INTEREST**

The California Education Code addresses the monitoring of potential conflicts of interest between The North Campus-University Park Development Corporation (NCUP) and its Board of Directors. In accordance with the conflict of interest provisions set forth in Education Code Sections 89906-89909, the only relationships that are specifically deemed **not** permissible are as follows:

- a) Any contract, other than an employment contract, directly between NCUP and an NCUP Director.
- b) Any contract between NCUP and a partnership or unincorporated association, in which an NCUP Director is a partner, or owner, or holder, directly or indirectly, of a proprietorship interest.
- c) Any contract between NCUP and a for-profit corporation in which an NCUP Director is the owner or holder, directly or indirectly, of five percent (5%) or more of the outstanding common stock.

Please review the above and if appropriate, sign and date the acknowledgment below. Please submit your signed statement to the NCUP office (MD 8310) by \_\_\_\_\_.

Thank you for your timely attention.

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I am not now financially interested in any contract or other transaction entered into by the North Campus-University Park Development Corporation Board of Directors.

\_\_\_\_\_  
Date: \_\_\_\_\_



**NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION**  
**California State University, Northridge**

**POLICY *on* ACCUMULATION *and* USE**  
*of*  
**PUBLIC RELATIONS FUNDS**

*Introduction*

The purpose of establishing accounts for university public relations is to provide a means to defray necessary costs of the university in fostering good internal and external relations. In accordance with Title 5 of the Education Code with respect to public relations or other purposes, an auxiliary organization may expend funds in such amount and for such purposes as are approved by its governing body. Public relations funds are to be expended to foster good relations in three areas: the university and the community; the university and its employees; and the university and its students.

*Community Relations*

Community relations are defined as those relations between the university and certain governmental, civic, and business organizations and between representatives of the university and representatives of those organizations and the community, as may be determined by the President of the university. Typical expenditures for this purpose are: costs of presidential, other administrative, or faculty memberships on prominent and important boards, including expenses in hosting meetings of said boards at the university or elsewhere; hosting individual or collective luncheons or dinners with City Councilpersons, mayors, board officials, commissioners, or other prominent civic and business officials; expenditures for flowers, condolence cards or congratulatory messages upon election, promotion, etc., of prominent civic leaders, and presentation of awards for outstanding service to the university.

Expenditures for meetings and expenses related thereto by university administrative officials to such groups as the Chamber of Commerce, Valley Industrial and Commerce Association, and other appropriate civic and governmental bodies shall be applicable to this policy.

It is not the intent of this policy that such funds be used to defray costs of personal memberships in clubs and organizations which are unrelated to the functions of the university, nor to the respective office of the university.

*Employee Relations*

Employee Relations are defined as those relations between the administration of the university and the faculty and staff of the university and its auxiliary organizations. Typical expenditures are: cards and acknowledgements at Christmas; promotion, sickness, and death; flowers appropriate events; hosting or partial subsidy of administrative meetings, luncheons, teas, dinners, or picnics for various employee groups, departments, etc.; payment of expenses for administrators and others for attendance at workshops, seminars, or conferences, on or off-campus; which are not reimbursed by the State, fully or partially; and business cards and printed forms.

*Student Relations*

Student Relations are defined as those relations between the university administration and the students, either individually or collectively. Typical expenditures include: hosting of teas and informal or formal meals; greeting cards and special commendation documents; expenditures for workshops and conferences for student leaders, administrators, and faculty, on or off-campus, including reimbursement for invited participants' expenses.

*Source of Funds*

The source of funds for the North Campus-University Park Development Corporation for Public Relations and other operating costs are derived from solicited and unsolicited gifts, investment income, and funds generated by leasing activities.

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**FILED**  
Secretary of State  
State of California

JUN 12 2013

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**CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION**

of

**NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION**

The undersigned, Rick D. Evans and Thomas J. McCarron, certify that:

1. They are the President and Secretary respectively of North Campus-University Park Development Corporation.

2. The Articles of Incorporation of this corporation are amended in the following respects only:

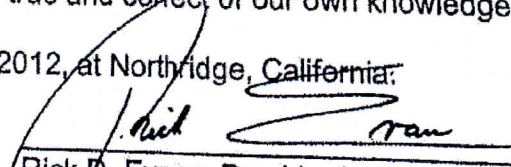
Article Three (d) On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization or organizations organized and operated exclusively for educational, scientific, literary and charitable purposes meeting the requirements for exemption which satisfy section 214 of the Revenue and Taxation Code and which has established its tax exempt status under Revenue and Taxation Code section 23701(d) (or the corresponding section of any future California revenue and tax code), that are exempt from federal income tax under Code section 501(c)(3) or the corresponding provision of any successor law and are approved by the President of the University and the Chancellor of the California State University and Colleges, subject to the provisions of any trust under which such assets are held.

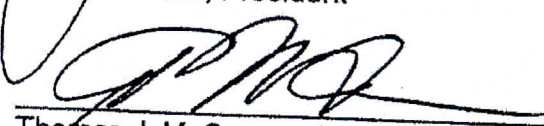
3. The foregoing Amended Articles of Incorporation has been duly approved by the Board of Directors.

4. The corporation has no 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.

Executed this 20<sup>th</sup> day of December, 2012, at Northridge, California.

  
Rick D. Evans, President

  
Thomas J. McCarron, Secretary



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

JUN 12 2013

Date: \_\_\_\_\_ *Jm*

*Debra Bowen*  
DEBRA BOWEN, Secretary of State



**SECRETARY OF STATE**

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of   1   page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of

MAR 19 2004



*Kevin Shelley*  
Secretary of State

A0609106

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

FEB 27 2004

**KEVIN SHELLEY**  
Secretary of State

**CERTIFICATE OF AMENDMENT**

*of the*

**ARTICLES OF INCORPORATION**

*of the*

**NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION**

Thomas McCarron and Mohammad Qayoumi certify:

1. That they are the President and Secretary, respectively, of the North Campus-University Park Development Corporation, a nonprofit California corporation.
2. That at a meeting of the Board of Directors of said Corporation, duly held at Northridge, California on December 5, 2003, the following resolution was adopted:

Resolved, that Article THREE, paragraph (d) of the Articles of Incorporation of this Corporation be amended to read as follows:

“Upon dissolution of this Corporation, net assets, other than trust funds shall be distributed to a successor approved by the President of California State University Northridge and by the Board of Trustees of the California State University.”

3. The foregoing amendment of the Articles of Incorporation has been duly approved by the Board of Directors.
4. The corporation has no 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.

December 5, 2003

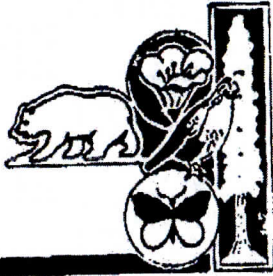


Thomas McCarron, President



Mohammad Qayoumi, Secretary





State  
of  
California  
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

SEP 16 1968



*March Fong Eu*

Secretary of State

7207827

FILED  
In the office of the Secretary of State  
of the State of California

RESTATED A357011

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ARTICLES OF INCORPORATION OF  
NORTH CAMPUS DEVELOPMENT CORPORATION,  
A California Corporation

*W. W. ...*  
W. W. ...  
Secretary of State

JAMES W. CLEARY and CHARLES MANLEY certify that:

1. They are the duly elected and acting President and the Secretary, respectively, of NORTH CAMPUS DEVELOPMENT CORPORATION, a California corporation.

2. The Articles of Incorporation of the corporation are amended and restated to read as follows:

"ONE: The name of the corporation is:

NORTH CAMPUS - UNIVERSITY PARK DEVELOPMENT CORPORATION.

TWO: 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. The corporation shall conduct its activities for the exclusive benefit of California State University, Northridge. The purpose for which this corporation is organized is exclusively charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions of these Articles, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended.



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

(b) This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits, or dividends to the members thereof or to any private shareholder, as defined for purposes of Section 501(c)(3) of the Internal Revenue Code of 1986, or individual.

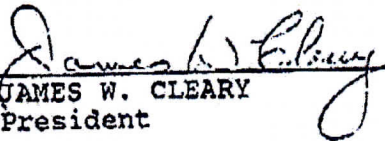
(c) The property, assets, profits, and net income of this corporation are irrevocably dedicated to the purposes set forth in Article TWO above, and no part of the profits or net income of this corporation shall ever inure to the benefit of any director, trustee, officer, shareholder, or member thereof or to the benefit of any private individual.

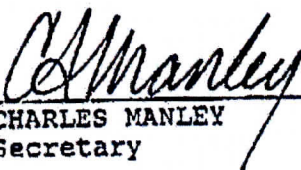
(d) Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets of this corporation shall be distributed to California State University, Northridge."

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of

Directors. Under the corporation's Bylaws, the corporation has no members.

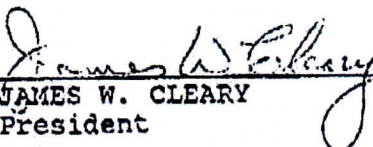
IN WITNESS WHEREOF, the undersigned has executed this Certificate on August 31, 1988.

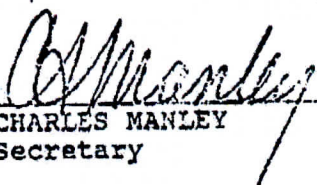
  
\_\_\_\_\_  
JAMES W. CLEARY  
President

  
\_\_\_\_\_  
CHARLES MANLEY  
Secretary

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

Executed at Los Angeles, California on August 31, 1988.

  
\_\_\_\_\_  
JAMES W. CLEARY  
President

  
\_\_\_\_\_  
CHARLES MANLEY  
Secretary