

*The provisions below are to be inserted into Student Union Operating Agreements as Sections 18 through 28.*

## **18. LEASE OF PREMISES**

*(Describe premises, including footage, or incorporate exhibit by reference.)* The lease of the premises is subject to:

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

## **19. USE OF PREMISES**

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

- 1) Operating and maintaining a student union facility for the students, faculty, staff, alumni, and guests of the campus.
- 2) *(Include other uses, if appropriate.)*

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

## **20. CONSIDERATION**

- A. Auxiliary shall operate as an auxiliary organization as set forth in this agreement.
- B. Auxiliary shall manage and operate the student union facilities in accordance with the bond indenture, the policies of the CSU, Campus, this agreement, and for the benefit of Campus.

## **21. APPLICATION OF STUDENT UNION FEES**

A. Pursuant to either the Student Union Bond Resolution or the CSU Systemwide Revenue Bond program, retirement of the debt incurred by CSU for the construction of the student union is to come from a mandatory student union fee to be paid by all enrolled students. After required funds have been set aside for debt service and all reserves, CSU agrees to make available to Auxiliary a portion of any remaining funds, as

authorized by Education Code, Section 90076. CSU agrees to transfer such funds, if any, in the Student Union Net Revenue Fund account, in the following circumstances:

- 1) Auxiliary shall be entitled to a transfer of funds as required for operating purposes. The transfer for operating purposes will be based on needs as shown in the operating budget and approved by the campus and Office of the Chancellor, subject to the availability of such funds.
- 2) Additional transfers of revenue may be made for extraordinary expenses as requested by Auxiliary and approved by the Office of the Chancellor, subject to the availability of funds.

B. This Section shall be subject to and construed in conformity with the Resolution of the CSU adopted *\*\* (date)* authorizing the issuance of California State University Student Union Revenue Bonds attached by reference as Attachment 3 hereto and made a part of this agreement or the CSU Systemwide Revenue Bond Program, as applicable.

## **22. BUILDINGS, SIGNS, FIXTURES, AND EQUIPMENT**

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

## **23. ALTERATIONS**

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

## **24. RIGHT OF ENTRY**

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

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

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

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

## **25. RESTORATION OF PREMISES**

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

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

## **26. MORTGAGES**

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

## **27. POSSESSORY INTEREST**

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

## **28. ASSIGNMENTS OR SUBLEASE**

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

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

Subleases may be written with terms in excess of this agreement: however, the continuation of the sublease past the term of this Agreement is contingent on this Agreement's renewal.