

**FACILITY LEASE
BETWEEN TRUSTEES AND
STUDENT UNION**

Pursuant to Section 89046 of the Education Code and Section 42601 of Title 5, California Code of Regulations, the Trustees of The California State University, by their duly qualified and acting Chancellor, hereinafter called Trustees, hereby lease to _____(Auxiliary Organization), hereinafter called Lessee, and Lessee hires from Trustees those certain premises described as follows:

(Describe premises, including footage, or incorporate exhibit by reference.)

Subject to:

1. The use of the property for civil defense purposes or in the event of a State or national emergency.
2. Unanticipated need of Trustees to meet the demands of the educational objectives of the University. The right to the use of any property included in this lease shall cease upon written notice by the President to Lessee that the property is needed for the exclusive use of Trustees.

1. Term of Lease

The lease is for the term beginning on the __day of _____, 20__, and ending on the __day of _____, 20__, unless sooner terminated as herein provided.

2. Use of Premises

2.1 Lessee 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 and only when such functions and activities come within the terms of Education Code Section 89046:

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

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

2.3. Operations of Lessee under this lease shall be integrated with campus operations and shall be under the general supervision of the campus officials. Such supervision shall be provided without cost to Trustees.

3. Consideration

Trustees lease the student union facilities to Lessee in consideration for Lessee's agreement to the following conditions:

- 3.1. Lessee shall operate as an auxiliary organization as set forth in Section V below.
- 3.2. Lessee shall manage and operate the student union facilities in accordance with the bond indenture and the policies of the campus.
- 3.3. Lessee shall manage and operate the student union facilities in accordance with this agreement and for the benefit of _____ (campus) _____.

4. Conformance with State Law

During the term of this lease, Lessee 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, Lessee agrees to operate as an auxiliary organization in good standing.

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

5. Application of Surplus Student Union Fees

- 5.1. Pursuant to the Revenue Bond Act of 1947, retirement of the debt incurred by Trustees 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, Trustees agree to make available to Lessee a portion of any remaining funds, as authorized by Education Code, Section 90076. Trustees agree to transfer such surplus funds, if any, in the _____ Student Union Net Revenue Fund account, based on the following conditions:

- a. Lessee shall be entitled to a transfer of surplus 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 Office of the Chancellor, subject to the availability of surplus.

- b. Additional transfers of surplus revenue may be made for extraordinary expenses as requested by Lessee and approved by the Office of the Chancellor, subject to the availability of surplus.

- 5.2. This Section shall be subject to and construed in conformity with the Resolution of the Trustees adopted _____ (date) _____ authorizing the issuance of California State University Student Union Revenue Bonds attached as Exhibit A hereto and made a part of this agreement by reference thereto.

6. Buildings, Signs, Fixtures, and Equipment

During the term of the lease, Lessee 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 Trustees. The number, size, and location of signs is subject to prior written approval of the campus President. Fixtures, signs, and equipment so erected, placed, or attached by the Lessee shall be and remain the property of the Lessee and may be removed therefrom by the Lessee prior to the termination of this lease.

7. Alterations

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

8. Right of Entry

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.

9. Charges for Services Provided by the State

Lessee shall reimburse Trustees for expenditures incurred by Trustees as a result of activities of Lessee under the terms of this agreement. This reimbursement shall include, but not be limited to, utility costs, custodial services, maintenance costs, 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 Lessee within 30 days of the receipt of a notice of such determination.

10. Care, Maintenance, and Repair

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

10.1. Care and Maintenance: Lessee 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.

10.2. Repairs: Lessee agrees to keep the leased premises in good repair.

11. Insurance

11.1. Lessee shall maintain in force during the term of this lease and all extensions thereof liability insurance including products liability with limits of liability for each occurrence of not less than:

\$____ for bodily injury liability.

\$____ for property damage liability.

\$____ for bodily injury and property liability combined.*

* (Insert the amounts required by your specific Bond Resolution issued pursuant to the State College Revenue Bond Act of 1947. Fire and extended insurance will be obtained and maintained by the Chancellor's Office as long as the bonds are outstanding.)

11.2. The policy of 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 Lessee.

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

11.3. No cancellation provision in any insurance policy shall be construed in derogation of the continuous duty of Lessee to furnish insurance during the term of this 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 lease. At least 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.

12. Indemnification

Lessee agrees to indemnify, defend, and save harmless the Trustees and the State of California 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 Lessee.

13. Termination

This lease may be terminated upon any of the following occurrences:

1. Expiration of the lease term set forth in Section I.
2. Violation of Section V or any other substantial provision of this lease.
3. Administrative necessity as set forth in Section I.
4. Cessation of operations of lessee.

14. Holding Over

Should Lessee 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 lease.

15. Restoration of Premises

Upon termination of this lease, Trustees shall have the option to require Lessee, 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 Lessee shall fail to do so within 90 days after Trustees option, Trustees may restore the property at the risk of the Lessee and all costs and expense of such removal or restoration shall be paid by Lessee upon demand of Trustees. Trustees shall have the right to exercise this option within 30 days after the expiration of this lease, but not thereafter.

16. Mortgages

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

17. Amendments

This lease may not be amended, changed, modified, or altered without the written consent of Trustees.

18. Assignment or Sublease

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

Trustees agree, however, that Lessee may sublease any portion of the premises with the approval of the campus. Substantial deviation from trustees policy and model leases requires the approval of the Office of the Chancellor.

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.

19. Possessory Interest

The insert the (*appropriate county name*) 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."

19. 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 deposited in the United States mail, certified and postage prepaid and addressed as herein provided.

Notice to Lessee shall be addressed as follows:

(Insert Address)

Notice to Trustees shall be addressed to:

Trustees of The California State University
401 Golden Shore
Long Beach, California 90802

Attention: Contract Services & Procurement

Notice to the President shall be addressed as follows:

(Insert Address)

IN WITNESS WHEREOF, this lease/agreement has been executed in quadruplicate by the parties hereto as of the date first above written.

Executed on _____, 20__.

(auxiliary organization)

By _____
(title)

Executed on _____, 20__.

_____ (campus)

By _____
(president)

Approved on _____, 20__.

Trustees of The California
State University

By _____
(title)